
REPORT

OF THE

AUDITOR-GENERAL

FOR THE YEAR ENDED

30th JUNE, 1963

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REPORT OF THE AUDITOR-GENERAL OF VICTORIA

UPON

THE TREASURER'S STATEMENT OF THE FINANCES FOR THE YEAR
ENDED 30TH JUNE, 1963.

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, 1963, 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, 1963. 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.

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

In 1962-63—

	£	s.	d.
The Revenue brought to account from all sources was ..	207,075,428	16	10
The Expenditure charged against the year's Revenue was	207,074,605	18	8
			<hr/>
The Surplus for the year was		822	18 2

The expenditure shown above includes £1,605,355 18s. 4d.—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.

Revenue from Commonwealth sources amounted to £83,675,235 and from State sources £123,400,194 and represented 40·41 per cent. and 59·59 per cent. respectively of the gross revenue. These proportions show little variation from those of the previous year when the receipts were Commonwealth £78,487,809 (39·98 per cent.) and State £117,821,004 (60·02 per cent.).

The sums from Commonwealth sources shown above include :—

(i) Financial Assistance Grants—

1961–62	£73,014,476
and	
1962–63	£76,133,355
an increase of	£ 3,118,879 ;

and

(ii) Additional Assistance Grants—

1961–62	£1,800,000
and	
1962–63	£3,727,000
an increase of	£1,927,000.

Of the sum of £3,727,000 received by way of additional grant in 1962–63, an amount of £1,285,000 was transferred to “Special Works Trust Account—Commonwealth Grant” for disbursement to conform with the Commonwealth’s desire that this sum be allocated “for expenditure on employment giving activities.” Expenditure allocations from the Trust Account are referred to under the appropriate departmental headings in this report. A summary of the allocations may also be seen in the Treasurer’s Finance Statement at pages 163–164. Further particulars of these additional and other assistance grants are given at page 10 of this report.

Revenue from State sources, other than Railways income which is shown under Part II of the Treasurer’s Revenue Statement, amounted to £79,836,409, an increase of £4,998,595 when compared with that of the previous year. This increase included the sum of £1,300,000 transferred, as provided in the Estimates for the year, from “Interest and Sinking Fund Reserve”. This sum was the equivalent of the allocation made in 1960–61 from Consolidated Revenue for the purpose of creation of the Reserve.

Collections from State Taxation, the main sources of which are discussed in detail at page 11 *et seq.*, amounted to £45,570,349. This sum was higher by £1,993,063 than that of the collections of the previous year but lower than the estimate for the year by £382,651.

Receipts from “Probate Duty” failed to reach the estimate by £953,637 and were less than those in 1961–62 by £218,850. In comparing these receipts, however, regard must be had to the fact that the sum of the assessments made in June, 1963, but payable in the first month of the next succeeding financial year, was much higher than the sum of the assessments made in June, 1962, and payable in the year under review. Actually, the difference in the respective totals of these assessments amounted to £1,019,850.

Receipts from Land Tax increased by £1,138,555. This increase was the result of the progressive revision of land values throughout the State assisted by the collection in 1962–63, of a higher percentage than usual of the amount due under current assessments.

Due to concessions granted under legislation of recent years, collections from “Entertainments Tax” decreased by £499,444.

“Totalizator Duty” was in excess of the estimate by £213,025 and was higher than the comparable figure for the previous year by £576,114. It will be seen by reference to “Totalizator” under the general head of State Taxes later in this report that the increase in duty was principally the result of increased off-course betting on the totalizators.

“Tattersall Duty” at £3,202,060 was slightly in excess of the estimate and £27,422, in excess of the previous year’s receipts from this source. In this connexion, it is relevant to note that subscriptions to Consultations at £10,100,000 were greater by £400,000 than in 1961–62.

The surplus on the Licensing Fund, paid into Consolidated Revenue by direction of the *Licensing Act* 1958, amounted to £3,302,860. This sum was less than the estimated revenue for the year by £47,140 but in excess of the comparable figure for the previous year by £109,741.

Revenue under the Stamps Act—also a major item under the general head of State Taxation—rose from £13,434,363 in 1961–62 to £14,196,812 in 1962–63. The factors which resulted in this rise were—increases of £631,634 in “Sale of Duty Stamps” and £158,920 in “Duty on Insurance Business” offset by decreases of £21,445 in “Turnover Tax (Bookmakers)” and of £6,659 in “Betting Tickets”. It was stated that the decreases in revenue from the two latter sources were due to the cancellation of certain race meetings during the year.

Interest received, which is recorded in the Treasurer’s books under “No. 2 Interest”, amounted to £12,522,557 as compared with £11,489,970 in the previous year—a rise of £1,032,587. To a large extent, this interest is earned on advances made by the State to public authorities. Actually, the increase in revenue from this source in 1962–63 was anticipated—the estimate for the year at £12,522,430 being only slightly less than the actual sum received.

Revenue under “No 4—Public Works” amounted to £6,471,209 which was in excess of the estimate for the year by £292,199 and more than that for the previous year by £315,610. The sources from which the revenue under this head was obtained and the extent to which they contributed to the net result are shown below:—

Revenue Sub-head.	Excess of Actual Over Estimate.	Amount of Increase Over Previous Year.	Remarks.
	£	£	
<i>State Rivers and Water Supply Commission—</i>			
Rates, charges, &c.	79,237	102,614	Combined effect of increases in total assessed and percentage collected. Charge for oncost on loan works increased from 8½ per cent. to 10 per cent.
Recoup on account of amounts paid in connection with River Murray Commission, Loan Works, &c.	83,008	83,783	
	162,245	186,397	
<i>Public Works Department—</i>			
Recoup on account of amounts paid from Revenue in connexion with Loan Works, &c.	49,747	61,807	Estimated recoup from this source was based on a charge for supervision, design, &c., of 11 per cent. whereas the actual charge was 11·45 per cent.
<i>Agriculture—</i>			
Cool Stores, Victoria Dock	61,445	75,647	Due to higher revenue earnings.
<i>Other (Net)</i>	18,762	Decrease 8,241	
	292,199	315,610	

“No. 7—Fees” was another head of revenue in respect of which there was a substantial variation from the sum estimated to be received. In this regard, collections at £1,609,446 failed to reach the estimate of £1,723,400. The major factor contributing to

this adverse position was the decrease in collections at the Office of the Registrar of Companies due to the falling off in the number of companies registered. These collections fell from £489,954 in 1961-62 to £409,223 in 1962-63 which sum was less than the estimate for the year by £140,777. It should be stated that, as at 30th June, 1963, an amount of £12,027 on account of these collections was in transit to the Treasury, whereas at 30th June, 1962, no amount was in transit.

Expenditure from Consolidated Revenue shown under Part I. of the Treasurer's Statement—i.e., excluding the expenditure on Railways which is shown under Part II. of the Statement—rose from £153,315,087 in 1961-62 to £163,510,821 in 1962-63. These amounts include the transfers to "Special Works Trust Account—Commonwealth Grant"—viz., £1,800,000 in 1961-62 and £1,285,000 in 1962-63.

The over-all increase of £10,195,734 in revenue expenditure indicated above was the result of increases in many items and decreases in the remainder. These variations were, in some instances, substantial and comments on them follow.

Debt Charges were higher in 1962-63 than in 1961-62 by £4,156,527. The major part of this sum consisted of an increase of £3,554,885 in the State's commitment for debt charges on its Public Debt. The remainder, £601,642, represented the increase in the sum transmitted by the State to the Commonwealth on account of interest and redemption in respect of advances made by the Commonwealth for the respective purposes of housing and soldier settlement.

In respect of the charges for interest and sinking fund on the State's Public Debt, there are, as shown in Statement 5 appended to this report, receipts which may be considered as directly reducing the State's burden in this regard but, as disclosed in the statistical analyses included in that Statement, there is a distinct upward trend in the annual amount necessary to be provided from other revenue sources for the purpose of meeting these interest and sinking fund charges. Further, in this connexion, it is relevant to note that, in recent years, the annual increase in the State's loan liability has exceeded £40,000,000. In fact, as between 1961-62 and 1962-63 the increase was £41,462,775.

The State's annual commitments to the Commonwealth for interest and redemption on account of advances which have been made by the Commonwealth specifically for housing and soldier settlement are met in respect of housing from the receipts of the Housing Commission and the Home Builders' Account and in respect of soldier settlement from the receipts of the Rural Finance and Settlement Commission.

The charge to Consolidated Revenue on account of "Education" including expenditure authorized under appropriations other than those directly administered by the Education Department rose from £44,826,128 in 1961-62 to £50,573,023 in 1962-63, an increase of £5,746,895. The additional cost of "Salaries—Teachers" alone accounted for £4,013,951 of this increase. Particulars of expenditure from all sources on "Education" are given under that heading later in this report, and in Appendix "E", this expenditure is analysed and compared with that of the previous year.

The contribution from Consolidated Revenue to the Police Pensions Fund, £65,000, was lower than that of the previous year by £804,650 and less than that anticipated by £835,000. The certificate of the Government Actuary in support of the contribution to the Fund of the comparatively small sum of £65,000 in 1962-63 is held by the Treasury.

Item 1 of Subdivision 3 of Public Works Vote—Division 61—was another item in respect of which there was a substantial decrease. The actual expenditure under this authority amounted to £799,488 which was less than the estimate by £355,512 and lower than the comparable figure for the previous year by £353,294. Comments on this decrease are furnished later in this report under the heading of "Public Works".

Comparative details of railway income and expenditure as presented in the Treasurer's Statements of the Consolidated Revenue over the past three years are summarized below.

	1960-61.	1961-62.	1962-63.
	£	£	£
Railway Working Expenses, &c.	39,576,829	40,721,240	41,235,131
Railway Pensions and Superannuation contributions	2,126,997	2,258,291	2,328,654
Railway Operating Expenses	41,703,826	42,979,531	43,563,785
Railway Income	42,624,173	42,983,190	43,354,201
Excess of Working Expenses over Income . . . . .	..	..	†209,584
Excess of Income over Working Expenses	*920,347	*3,659	..

* Transferred to Railway Equalization Account.

† Provided from Railway Equalization Account.

At 30th June, 1963, the balance of the Railway Equalization Account was £714,422. This was the amount in the Account after, as indicated in the footnotes to the above summary, crediting the Account with the respective amounts of £920,347 and £3,659 in 1960-61 and 1961-62 and financing therefrom the amount of the railway deficit for 1962-63, namely £209,584.

Various aspects of the railways accounts are discussed in this report under "Railways". It is shown therein that, on an accrual basis and as disclosed by the Railways books, the deficit for the year under review was £74,092.

Loan.

Expenditure on works, &c., amounted to £55,332,644 as compared with £53,416,863 in 1961-62, an increase of £1,915,781. Major variations in loan expenditure items as between the two years were:—

	£
<i>Increases—</i>	
Advances to State Electricity Commission	1,500,000
Contribution to the National Art Gallery and Cultural Centre Trust Fund	500,000
Public Offices—Works including remodelling of old Government Printing Office	459,639
Payments to Hospitals and Charitable Institutions	390,838
Primary Schools—Works	313,840
<i>Decreases—</i>	
Monash University—Buildings and site works	805,253
Country Roads Board—Road Works	382,000

For comprehensive summaries of the several financial statements prepared by the Treasurer in respect of loan matters, attention is invited to the section of this report under the general heading of "Loan Fund".

The annual increase in the State's net loan liability has already been mentioned. At 30th June, 1963, the amount of this liability was £715,725,185. This figure does not take into consideration Commonwealth advances for housing purposes and for special assistance for soldier settlement. As at the close of the year, the respective liabilities of the State to the Commonwealth on these accounts were £153,401,393, and £6,942,702 as compared with £141,411,208 and £6,995,057 as at the close of the previous year.

Trust and Special Funds.

Eight 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 towards the end of this report under the heading of "Trust and Special Accounts".

Debits and credits to the accounts within the Trust Fund excluding those to certain Suspense Accounts which, as indicated at page 8 of my previous year's report, are merely clearing accounts, aggregated respectively £115,063,782, and £117,224,733. The comparable figures in 1961-62 were £121,499,011 and £124,158,766.

The comparative summary below shows for the past two years the debits and credits to the several special accounts in the Trust Fund which have been financed by conditional advances or grants from the Commonwealth:—

Account or Fund.	1961-62.			1962-63.		
	Total Credits (Including Balance Forward).	Total Debits.	Balance Forward.	Total Credits (Including Balance Forward).	Total Debits.	Balance Forward.
	£	£	£	£	£	£
Commonwealth Aid Roads	10,121,032	10,092,136	28,896	10,905,888	10,875,784	30,104
Commonwealth-State Housing	9,942,345	9,942,345	..	9,444,750	9,444,750	..
Home Builders'	5,518,970*	5,478,037	40,933	5,691,063*	5,579,557	111,506
Uniform Railway Gauge Trust	4,433,796	4,433,796	..	1,314,726	1,314,726	..
Hospital Benefits	1,787,357	1,673,194	114,163	1,025,341	1,025,086	255
University (Commonwealth Subsidy) ..	1,726,754	1,726,754	..	2,290,101	2,290,101	..
Monash University (Commonwealth Subsidy)	1,817,766	1,817,766	..	2,293,560	2,293,560	..
Rural Rehabilitation	1,701,535	6,809	1,694,726	1,792,621	..	1,792,621
Commonwealth Pharmaceutical Benefits	1,420,129	1,417,038	3,091	1,683,192	1,683,002	190
Commonwealth-State Free Milk Scheme	1,103,730	983,906	119,824	1,071,051	1,035,322	35,729
Commonwealth Scholarship Scheme ..	840,107	824,269	15,838	1,019,979	960,923	59,056
Other	711,385	605,214	106,171	544,930	458,046	86,884
	41,124,906	39,001,264	2,123,642	39,077,202	36,960,857	2,116,345

* Includes repayment of advances and interest thereon 1961-62, £1,392,708; 1962-63, £1,795,130.

It will be seen that there was a substantial reduction in the amount credited to the Uniform Railway Gauge Trust Account. This was the Account in which were recorded the moneys received from the Commonwealth and the expenditure therefrom in connexion with the construction of a uniform gauge railway between Albury and Melbourne. To 30th June, 1963, the actual amount charged to the project by the State was £16,115,572 towards which the Commonwealth has agreed to contribute £15,800,000 as a firm and final figure of settlement. However, the State is liable to the Commonwealth for 3/20ths of this latter amount, with interest thereon, payable by annual instalments over a period of 50 years.

The amounts shown as passing through the Commonwealth-State Housing Account are Commonwealth advances which are disbursed by the Housing Commission in terms of the Commonwealth-State Housing Agreement. Also under this Agreement, Commonwealth advances together with borrowers' repayments of principal and payments of interest are credited to the Home Builders' Account and loans are made therefrom to Co-operative Housing Societies. The State's liability to the Commonwealth to the 30th June, 1963, for housing has already been mentioned in this review.

Net credits to the Country Roads Board Fund, including the balance brought forward, State imposts under the Motor Car Act and road charges under the State's Commercial Goods Vehicles Act amounted to £14,113,074. This amount when added to an allocation of £301,000 from Loan Fund and the grant by the Commonwealth of £10,675,566 under the Commonwealth Aid Roads Act made the sum of £25,089,640 available to the Country Roads Board to provide, *inter alia*, for its expenditure on roads. The actual expenditure in 1962-63 on road and associated works was £19,433,370 as compared with £21,076,048 in 1961-62. (For 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 £1,707,342 to £1,696,806. The reduction of £10,536 was effected by applying to the Consolidated Revenue Deficit brought forward the Revenue Surplus for 1961–62. 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 £28,302,825. Details of the composition of this amount and a summary of Treasury Balances, as at 30th June, 1963, 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 reference to these latter amounts, attention is invited to the section in this report under the heading of Treasurer's Advance.

Overseas Visit.—With Parliamentary approval, as implied by the provision of the necessary travelling allowance in the annual Appropriation Act for 1962–63, I visited in the latter half of the financial year several overseas countries to study, in particular, the governmental auditing methods and accounting systems operating in those countries.

The courteous reception extended and the detailed information made available to me during the course of my inquiries at the National, County and Borough levels in England and at the Federal and State levels in the United States and in the National and Provincial spheres in Canada, were most gratifying.

Since my return, I have conveyed briefly to the Treasury my views, based on information obtained by me overseas, on the control and investment of funds in Court and the introduction, within the governmental field in Victoria, of electronic accounting methods. It is my intention, after the presentation to the House of my annual and supplementary reports, to complete, as early as possible, a paper on governmental auditing. In so far as Victoria is concerned, it is my view that several aspects of the established standards and procedures in this field warrant official recognition and this will be the object of my paper.

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 8-14 of the finance statement is given in the following tabular comparison for the purpose of showing the significant variations during the year.

	1961-62.	1962-63.		£
Commonwealth—				
States Grants Act 1959	73,014,476	76,133,355	Increase	3,118,879
Additional Assistance	1,800,000	3,727,000	„	1,927,000
State Taxes	43,577,287	45,570,349	„	1,993,062
Transfers from Trust Funds	64,838	1,332,656	„	1,267,818
Interest	11,489,970	12,522,557	„	1,032,587
Recoups, &c. (other than Interest and Water Supply)	4,489,812	4,722,162	„	232,350
Water Supply (including Recoups)	4,275,848	4,462,245	„	186,397
Health	1,204,355	1,390,050	„	185,695
Agriculture	568,144	649,561	„	81,417
Mental Hygiene	611,397	685,371	„	73,974
Education	364,728	433,533	„	68,805
Rents	392,179	458,309	„	66,130
Lands	1,010,616	1,072,141	„	61,525
Fines	567,258	618,791	„	51,533
Police	505,287	553,525	„	48,238
Forests	2,279,723	2,321,363	„	41,640
Gas and Fuel Corporation—Dividend	116,674	144,458	„	27,784
Government Printer	1,183,214	1,208,543	„	25,329
Total Increase				10,490,163
Mint	331,922	183,617	Decrease	148,305
Soldier Settlement Commission	157,155	61,469	„	95,686
Sundry	3,193,581	3,133,430	„	60,151
Total Decrease				304,142
Commonwealth and States Financial Agreement (Vic.) Act No. 3554	2,127,159	2,127,159	..	..
Railways	153,325,623	163,511,644	Increase	10,186,021
	42,983,190	43,563,785	„	580,595
	196,308,813	207,075,429	Increase	10,766,616

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 and the *States Grants Act* 1962 in conjunction, provides:—

- (i) as from and including the year 1962-63, the basis on which the financial assistance grants to the States are to be calculated; and
- (ii) for a possible review of the terms of the legislation insofar as they relate to a year subsequent to 1964-65.

Pursuant to the provisions of the *States Grants Act* 1962, Victoria's basic figure for 1962-63 was £72,730,000. In terms of the *States Grants Act* 1959, this basic figure was increased in proportion to the increase, as estimated by the Commonwealth Statistician, in the State's population during 1961-62 and the figure so obtained was increased by 1.1 times the percentage increase, as between 1960-61 and 1961-62 in the average wages per person employed throughout Australia. Calculated in accordance with these terms the financial assistance grant to Victoria for 1962-63 was £76,133,355, i.e., £3,403,355 higher than the basic figure.

Also in 1962-63, the States were recipients from the Commonwealth of additional assistance grants amounting in all to £17,500,000.

To the extent of a total of £12,500,000, the additional assistance grants for 1962-63 were made in the first instance under the authority of the Commonwealth's *States Grants (Additional Assistance) Act* (No. 2) 1962. In conformity with the schedule to that Act, Victoria's share of the sum of £12,500,000 was £2,442,000. In making these grants available to the States, the Commonwealth Government indicated that it expected the grants to have a beneficial effect on the employment position. However, it made it clear that the States were free to utilize any part of their grants to assist their respective budgetary positions.

Later in 1962-63, the Commonwealth by the *States Grants (Additional Assistance) Act* 1963 increased the sum of £12,500,000 to £17,500,000 and, insofar as Victoria was concerned, from £2,442,000 to £3,727,000.

As the additional assistance grants were free of statutory conditions, the whole of the sum received by Victoria was, in accordance with State law, paid into Consolidated Revenue. However, in making the additional sum of £5,000,000 available to the States, the Commonwealth Government did stipulate "that this money should be expended on employment giving activities". Accordingly, Victoria transferred from Consolidated Revenue to a Special Works Trust Account for disbursement the sum of £1,285,000, i.e., an amount equivalent to its share of the additional sum of £5,000,000. Particulars of the disbursements from the Trust Account are given at pages 163-164 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 1962-63 (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†
1962-63	{ 76,133,355 3,727,000†

* 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—in 1961-62 pursuant to the provisions of the *States Grants (Additional Assistance) Act* 1962 and in 1962-63 pursuant to the provisions of the *States Grants (Additional Assistance) Act* 1962-63.

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.	1959-60.	1960-61.	1961-62.	1962-63.
	£	£	£	£
Direct	21,020,961	24,670,615	26,542,987	27,614,326
Stamps Acts	13,780,837	14,039,215	13,434,363	14,196,812
Registrations, &c	157,053	143,111	156,402	179,371
Licences	3,034,999	3,291,428	3,443,534	3,579,840
Total Taxation	37,993,850	42,144,369	43,577,286	45,570,349

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.

	1959-60.	1960-61.	1961-62.	1962-63.
	£	£	£	£
Probate Duty	9,412,898	11,530,879	12,540,213	12,321,363
Land Tax	5,854,092	6,706,494	7,406,384	8,544,939
Entertainments Tax	1,412,206	1,335,540	1,110,718	611,274

Probate Duty for 1962-63 amounting to £12,188,325 was collected by the Commissioner of Probate Duties and £133,038 by the Public Trustee. The aggregate value of new estates assessed increased from £93.2 million in 1961-62 to £98.9 million in 1962-63.

It will be observed that, whereas the aggregate value of new estates assessed increased by £5.7 million, collections of duty decreased by £218,850. What appears to be an inconsistency, is, in fact, mainly a reflection of the considerable difference between the duty payable under the assessments issued in June, 1962, and that payable under those issued in June, 1963. The relevant figures were—June, 1962, £595,533; June, 1963, £1,615,383; an increase of £1,019,850. It should be explained that, in each year, payment of the assessments made in June is not due until the first month in the next succeeding financial year.

The *Probate Duty Act* 1962, No. 6890, which operated from 1st July, 1962, repealed and, in effect, replaced Part V. of the *Administration and Probate Act* 1958. As to liability for duty, the main provisions of this legislation apply to the estates of persons dying on and after 1st July, 1962.

The *Probate Duty (Reduction) Act* 1962, No. 6970, with effect from 18th December, 1962, raises the minimum estate value for duty from £5,000 to £6,000 in any instance where the final balance passes to the widow, widower, children who have not attained the age of 21 years, wholly dependent adult children or wholly dependent widowed mother of the deceased; further, in the same circumstances, the Act provides for a reduced scale of duty in respect of estates exceeding £6,000 but not exceeding £24,999.

The provisions of the new legislation outlined above had no appreciable effect on revenue in the year under review.

Land Tax.—As indicated in the comparative statement, receipts from Land Tax increased by £1,138,555.

As to liability for land tax, the *Land Tax (Exemptions and Rates) Acts* of 1961 and 1962, in effect raised, to the extent shown hereunder, the exemption limits applicable to land (other than land used for primary production):—

Assessment Year of Operation.	Authority.	Variation.
1962	<i>Land Tax (Exemptions and Rates) Act</i> 1961	Raised unimproved value not subject to tax from £1,250 to £1,450
1963	<i>Land Tax (Exemptions and Rates) Act</i> 1962	Raised unimproved value not subject to tax from £1,450 to £1,750

Despite the above-mentioned concessions, the State's revenue from land tax has continued to rise. This upward trend is due mainly to higher unimproved values which have resulted from the progressive revision of land values throughout the State. Further in 1962-63, the receipts from this source were assisted by the collection of a higher percentage

than usual, of the amount due under current assessments. In this connection, it should be noted that approximately 64 per cent. of the estimated tax assessment for the calendar year 1963 was collected in the second half of the financial year 1962-63 whereas, in the previous financial year, the comparable proportion collected was approximately 54 per cent.

Entertainments Tax.—The *Entertainments Tax (Partial Abolition) Act* 1962, No. 6903, with effect from 29th December, 1962, abolished tax on all classes of entertainment except race-meetings to which Part I of the *Racing Act* 1958 applies, viz., horse-racing and trotting meetings. This major concession and, to a lesser extent, the concessions under the *Entertainments Tax (Amendment) Act* 1961, which operated for a part of the year, were chiefly responsible for the decrease of £499,444 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:—

	1959-60.	1960-61.	1961-62.	1962-63.
	£	£	£	£
Duty Stamps	9,925,177	9,859,923	9,202,243	9,833,877
Insurance Licences	2,419,064	2,611,222	2,718,574	2,877,494
Betting Tax	1,320,890	1,453,372	1,400,566	1,379,121
Betting Tickets	115,706	114,699	112,979	106,320
Bookmakers' Licences	37,443	37,159	36,897	41,103
Total	13,818,280	14,076,375	13,471,259	14,237,915*

* Excluding collections 28th June, 1963, £65,927.

Revenue from "Duty Stamps" was in excess of that for the previous year by £631,634. The main contributing factors were increases in collections (gross) of £664,595, in stamp duty on real estate and £189,766, in respect of hire purchase transactions, offset by decreases of £126,022 in the sale of adhesive stamps and £52,741 in duty on marketable securities.

It should be noted that, in the previous year, revenue under this head was adversely affected by the change in national credit policy introduced in the latter part of 1960.

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

	1959-60.	1960-61.	1961-62.	1962-63.
	£	£	£	£
Fees, Titles Office	730,637	718,117	684,319	753,034
„ Registrar of Companies	305,878	508,326*	489,954	409,223*
„ Registrar-General	28,696	28,621	33,349	34,897
Total	1,065,211	1,255,064	1,207,622	1,197,154

* Excluding cash in transit to Treasury on 30th June, 1961, £16,896; on 30th June, 1963, £12,027.

The higher revenue from Titles Office fees was due to the increase in the number of lodgments from 216,667 in 1961-62 to 240,458 in 1962-63.

The decrease in revenue collected at the Companies Office was caused by the further decline in the number of companies registered during the year. Comparable registration figures for the past three years are:—

1960-61	1961-62	1962-63
4,116	3,434	2,740

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 is 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 1962–63 was £970,949 as compared with £924,110 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
1962–63	.. ..	152	8	6	2	..	10,100,000
		1,372	67	55	3	2	83,613,391

In 1962–63, three 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:—

—		1960–61.	1961–62.	1962–63.
		£	£	£
Duty payable	.. ..	3,333,564	3,091,666	3,202,236
<i>Less</i> amounts due for consultations drawn but payable in July of succeeding year	.. ..	125,405	48,191	48,111
		3,208,159	3,043,475	3,154,125
<i>Plus</i> amounts paid and exchange credited in July on account of previous year	.. ..	61,862	138,723	55,751
		3,270,021	3,182,198	3,209,876
<i>Less</i> exchange on balance held in New Zealand as at 30th June		13,319	7,560	7,816
		3,256,702	3,174,638	3,202,060
Amount of duty shown in Treasurer's accounts	.. ..	3,256,702	3,174,638	3,202,060

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 £67,238 as compared with £68,957 in 1961–62.

The Tasmanian share of duty for consultations drawn late in May and in June, 1963, amounted to £5,621. 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, 1963, the balance in this account was £28,206 (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 £184,493, as compared with £250,902 in 1961–62.

As at the 30th June, 1963, an amount of £40,777, equivalent to £32,961 (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, 1963, were, respectively, £24,617,592, £1,906,993 and £184,254.

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 1959–60 (inclusive) totalled £49,486. 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. The field of totalizator betting was further extended by the *Racing (Off-course Doubles Totalizators) Act* 1961 and by the establishment from 6th April, 1963, of facilities for betting, both on-course and off-course, on races conducted in other States.

By legislative direction, a commission of 12 per cent. of investments is made from all totalizator pools, and the resulting sum is divided in the proportions prescribed. Amending legislation—the *Racing (Totalizators Percentages) Act* 1963—increased the State's

* Excludes cash in transit, &c.

share of the commission derived from off-course totalizators, and for 1962-63, the proportions in which the commission deducted from the both types of totalizators was distributed, are as follows:—

1. On-course totalizators—

(i) at metropolitan meetings—

(a) to Consolidated Revenue—in respect of doubles and quinella totalizators, one-third; and in respect of win and place totalizators, seven-twelfths;

(b) to the racing club concerned—the remaining proportion in each case, i.e., two-thirds in respect of doubles and quinella totalizators and five-twelfths in respect of win and place totalizators;

(ii) at country meetings, in respect of all types of totalizators—

(a) to Consolidated Revenue—one-sixth;

(b) to the racing club concerned—five-sixths.

2. Off-course totalizators—

(i) to Consolidated Revenue—

(a) to 31st March 1963—three-twelfths;

(b) from 1st April 1963—fifteen forty-eighths;

(ii) to a Treasury Trust Account* (Totalizator Agency Board Trust Account) for application by the Treasurer for or towards recouping racing clubs for expenses associated with the establishment of the Totalizator Agency Board and the financing of its operations—

(a) to 31st March 1963—one-twelfth;

(b) from 1st April 1963—one forty-eighth; and

(iii) to the Totalizator Agency Board to be expended in the terms of the *Racing Act 1958*—the remaining two-thirds.

* The Treasurer may, by notice published in the *Government Gazette*, certify that such payment is no longer necessary. Thereafter, the proportion payable to Consolidated Revenue would be four-twelfths.

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

	1961-62.			1962-63.		
	Horse-races.		Dog-races.	Horse-races.		Total.
Percentage—	£	£	£	£	£	£
Win and Place—						
Metropolitan—						
On-course ..	482,112		18,228	467,656		20,515
Off-course ..	262,153		..	371,333		..
Country—						
On-course ..	16,733		772	22,836		783
Off-course ..	93,340		..	136,263		..
Interstate—						
On-course ..	..		..	5,144		..
Off-course ..	..		..	9,647		..
Doubles and Quinella—						
Metropolitan—						
On-course ..	189,857		24,780	190,771		28,834
Off-course ..	12,638		..	25,551		..
Country—						
On-course ..	10,191		713	11,913		1,026
Off-course ..	..		..	..		..
Daily and Feature All-up Doubles ..	21,002		..	255,813		..
	1,088,026		44,493	1,496,927		51,158
			1,132,519			1,548,085
Fractions—						
Win and Place—						
Metropolitan ..	168,339		4,430	249,115		7,645
Country ..	37,491		509	94,414		1,028
Interstate ..	..		..	4,848		..
Doubles and Quinella—						
Metropolitan ..	9,453		2,316	11,721		5,465
Country ..	849		164	4,091		356
Daily and Feature All-up Doubles ..	..		..	4,332		..
	216,132		7,419	368,521		14,494
			223,551			383,015
Dividends Unclaimed—						
Transferred to Consolidated Revenue ..	..		..	..		..
			30,841			31,925
			1,386,911*			1,963,025*

* On-course—1961-62, £997,778; 1962-63, £1,164,418. Off-course—1961-62, £389,133; 1962-63, £798,607.

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 £205,060 was credited to the Totalizator Agency Board Trust Account for distribution to racing clubs in the terms of the *Racing (Totalizator Extension) Act 1960*.

Licensing Fund Payment.—The revenue of the Licensing Fund consists mainly of fees charged to licensed victuallers (£2,610,308), spirit merchants and grocers (£598,667), and clubs (£164,878).

As directed by the *Licensing Act 1958*, the surplus of receipts over payments for 1962–63 was transferred to Consolidated Revenue.

A comparative statement of receipts and payments of the Licensing Fund for the period 1st July, 1960 to 30th June, 1963, is given hereunder:—

	1960–61.		1961–62.		1962–63.
	£		£		£
Balance 1st July.. .. .	330,736	.. .. .	330,736	.. .. .	330,736
	<hr/>		<hr/>		<hr/>
<i>Receipts—</i>					
Licences and Club Certificates	3,176,677	.. .. .	3,320,699	.. .. .	3,429,119
Permits—Extended Hours	33,885	.. .. .	33,914	.. .. .	36,371
Fees and Fines	29,454	.. .. .	31,529	.. .. .	34,713
Interest on Investments	10,052	.. .. .	10,052	.. .. .	10,052
Miscellaneous	8,737	.. .. .	9,684	.. .. .	10,899
	<hr/>		<hr/>		<hr/>
<i>Total Receipts for the Year</i>	3,258,805	.. .. .	3,405,878	.. .. .	3,521,154
	<hr/>		<hr/>		<hr/>
<i>Payments—</i>					
Salaries and other administrative expenses	70,237	.. .. .	72,285	.. .. .	72,604
Cost of policing Act	57,720	.. .. .	57,339	.. .. .	58,664
Payments to Municipalities	56,836	.. .. .	56,532	.. .. .	56,416
Payment to Police Super-annuation Fund	23,000	.. .. .	23,000	.. .. .	23,000
Compensation	14,530	.. .. .	3,603	.. .. .	7,610
	<hr/>		<hr/>		<hr/>
<i>Total Payments for the Year</i>	222,323	.. .. .	212,759	.. .. .	218,294
	<hr/>		<hr/>		<hr/>
<i>Transfer to Consolidated Revenue</i>	3,036,482	.. .. .	3,193,119	.. .. .	3,302,860
	<hr/>		<hr/>		<hr/>
Balance 30th June	330,736	.. .. .	330,736	.. .. .	330,736
	<hr/>		<hr/>		<hr/>
Percentage of <i>Revenue Transfer</i> to total receipts	93·2	.. .. .	93·8	.. .. .	93·8

The following statement shows the variations of Revenue Receipts from the Budget Estimate in 1962-63.

	Budget Estimate.	Revenue.	Excess + Deficiency -
	£	£	£
PART I.			
State Taxes—			
Probate Duty	13,275,000	12,321,363	953,637—
Land Tax	8,295,000	8,544,939	249,939+
Entertainments Tax	650,000	611,274	38,726—
Income Tax (Arrears) .. .. .	..	593	593+
Unemployment Relief Tax (Arrears) .. .. .	..	123	123+
Motor Car Third-party Insurance	960,000	970,949	10,949+
Totalizator	1,750,000	1,963,025	213,025+
Tattersall Duty	3,200,000	3,202,060	2,060+
Betting and Bookmakers' Turnover Tax	1,512,000	1,485,441	26,559—
Duty on Insurance Business	2,800,000	2,877,494	77,494+
Stamp Duty	9,733,000	9,833,877	100,877+
Registration Fees—Tobacco, &c.	162,000	179,371	17,371+
Licensing Fund Payment	3,350,000	3,302,860	47,140—
Auctioneers' and other Licences	266,000	276,980	10,980+
Interest	12,522,430	12,522,557	127+
Territorial	2,896,050	2,962,516	66,466+
Water and other State Works	6,179,010	6,471,209	292,199+
Ports and Harbors	663,000	656,687	6,313—
Fines	605,000	618,790	13,790+
Fees—Titles Office and Registrar-General, &c.	1,723,400	1,609,446	113,954—
Departmental	5,407,000	5,472,798	65,798+
Repayment of Revenue Advances	8,000	12,161	4,161+
Housing Agreement	1,262,000	1,271,166	9,166+
Recoup Sinking Fund Contributions	355,197	351,410	3,787—
Recoup Exchange, &c.	145,500	147,006	1,506+
Other Receipts	2,408,259	2,558,035	149,776+
Commonwealth Financial Agreement	2,127,159	2,127,159	..
Commonwealth States Grants Act 1959	76,091,000	76,133,355	42,355+
Additional Assistance Grant	2,442,000	3,727,000	1,285,000+
Transfer from Interest and Sinking Fund Reserve	1,300,000	1,300,000	..
Total Revenue PART I.	162,088,005	163,511,644	1,423,639+
PART II.			
Railways	42,900,917	43,563,785	662,868+
Total Revenue	204,988,922	207,075,429	2,086,507+

EXPENDITURE.

The expenditure charged against income was more than the outlay for 1961-62 by the amount of £10,776,329. 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>	1961-62. £	1962-63. £		£
Education	40,666,257	45,969,707	Increase	5,303,450
Chief Secretary	12,828,097	13,493,046	,,	664,949
Premier	913,203	1,054,925	,,	141,722
Agriculture	2,647,590	2,755,606	,,	108,016
Forests	1,276,944	1,379,448	,,	102,504
Attorney-General	2,530,904	2,626,290	,,	95,386
Water Supply	4,361,627	4,452,541	,,	90,914
Labour and Industry	348,981	380,786	,,	31,805
Local Government	117,421	127,963	,,	10,542
Public Works	3,812,555	3,485,616	Decrease	326,939
Health	20,467,156	20,333,204	,,	133,952
Treasurer	8,659,420	8,595,055	,,	64,365
State Coal Mine	561,655	509,826	,,	51,829
Lands	1,674,971	1,629,115	,,	45,776
Mines	454,170	441,921	,,	12,249
Other	247,566	246,832	,,	734
	<u>101,568,517</u>	<u>107,481,961</u>	Increase	<u>5,913,444</u>
<i>Special Appropriations—Part I.—</i>				
Interest including Exchange*	33,821,185	37,371,515	Increase	3,550,330
Charities Fund (Totalizator)	1,386,911	1,963,025	,,	576,114
National Debt Sinking Fund	6,225,681	6,738,283	,,	512,602
Endowments and Grants	1,318,809	1,402,187	,,	83,378
Charities and Mental Funds (Tattersall)	3,174,638	3,202,060	,,	27,422
Other	2,992,558	3,018,190	,,	25,632
Pensions	2,826,788	2,333,600	Decrease	493,188
	<u>51,746,570</u>	<u>56,028,860</u>	Increase	<u>4,282,290</u>
<i>Votes—Part II.—Railways</i>	40,504,240	41,018,131	Increase	513,891
<i>Special Appropriations—Part II.—Railways</i>	2,478,950	2,545,654	,,	66,704
Grand Total †	<u>196,298,277</u>	<u>207,074,606</u>	Increase	<u>10,776,329</u>

* Additional Interest voted in 1961-62, £27,410, and in 1962-63, £31,511.

† 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.			Expended under Parliamentary Authority.	Unexpended	Expended from Treasurer's Advance.	Expenditure for the Year.
	Annual.	Supplementary.	Total.				
	£	£	£	£	£	£	£
<i>Votes—Part I.—</i>							
Parliament	191,736	..	191,736	191,258	478	15,656	206,914
Premier	954,635	3,001	957,636	947,214	10,422	107,711	1,054,925
Chief Secretary	13,321,228	17,740	13,338,968	13,232,845	106,123	260,201	13,493,046
Labour and Industry	341,645	27,574	369,219	368,388	831	12,398	380,786
Education	45,787,046	16,250	45,803,296	45,802,188	1,108	167,519	45,969,707
Attorney-General	2,576,837	9,077	2,585,914	2,561,389	24,525	64,901	2,626,290
Treasurer	7,222,096	1,311,027	8,533,123	8,469,807	63,316	125,248	8,595,055
Lands and Survey	1,654,949	865	1,655,814	1,622,460	33,354	6,735	1,629,195
Public Works	3,787,489	13,152	3,800,641	3,458,840	341,801	26,776	3,485,616
Local Government	129,559	..	129,559	122,420	7,139	5,543	127,963
Mines	453,292	11,325	464,617	437,725	26,892	4,196	441,921
Forests	1,384,109	2,085	1,386,194	1,368,519	17,675	10,929	1,379,448
Water Supply	4,432,475	9,327	4,441,802	4,433,557	8,245	18,984	4,452,541
Agriculture	2,764,193	2,544	2,766,737	2,734,294	32,443	21,312	2,755,606
Health	20,360,989	4,055	20,365,044	20,280,818	84,226	52,386	20,333,204
Railway Construction	33,040	..	33,040	29,672	3,368	..	29,672
State Coal Mine	527,412	..	527,412	509,507	17,905	319	509,826
Transport	10,395	195	10,590	10,246	344	..	10,246
	105,933,125	1,428,217	107,361,342	106,581,147	780,195	900,814	107,481,961
<i>Votes—Part II.—</i>							
Railways	40,313,590	..	40,313,590	40,313,589	1	704,542	41,018,131
Total Votes	146,246,715	1,428,217	147,674,932	146,894,736	780,196	1,605,356	148,500,092
<i>Special Appropriations—</i>							
Part I. .. ..	..	..	56,028,860	56,028,860	..	..	56,028,860
Part II. .. ..	..	..	2,545,654	2,545,654	..	..	2,545,654
Total Special Appropriations	..	..	58,574,514	58,574,514	..	..	58,574,514
Grand Total	146,246,715	1,428,217	206,249,446	205,469,250	780,196	1,605,356	207,074,606

LOAN FUND.

The State incurred additional loan liability of £49,521,885 on account of moneys raised for works and associated purposes during the year, compared with £48,597,576 in the previous year—an increase of £924,309. The sources of the funds were—two public loans in Australia, one in London, two in New York, and the proceeds of the sale of Special Bonds.

After 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 £55,332,644.

These transactions may be summarized as follows:—

Liability—						£
Australian Loans	..	..	..	..	..	44,708,147
London Loan	..	..	..	..	..	2,479,000
New York Loans	..	..	..	..	..	2,334,738
						<hr/>
						49,521,885
						£
Premium on Exchange—London	..	..	..	..	616,465	
					New York	2,678,355
						<hr/>
						3,294,820
						<hr/>
						52,816,705
Less—						
Discounts capitalized	..	..	..	..	136,709	
Expenses of Flotation	..	..	..	..	321,722	
						<hr/>
						458,431
						<hr/>
						52,358,274
Balance forward 1st July, 1962	..	..	..	..	..	3,328
Repayments	..	..	..	..	..	2,991,610
						<hr/>
Total loan cash available	..	..	..	..	..	55,353,212
Works—						
Under Parliamentary Authority	..	..	..	..	55,106,266	
Charged to Treasurer's Advance pending Authority					226,378	
						<hr/>
						55,332,644
						<hr/>
Loan Cash on Hand at 30th June, 1963	..	..	..	..	..	20,568
						<hr/>

The above statement takes no account of £13,299,750 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 £153,401,393. There is also a liability to the Commonwealth of £6,942,702 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.	4½ Per Cent.	4¼ Per Cent.	5 Per cent.	5½ Per Cent.	Special Bonds.	Price of Issue.	Date of Maturity.
	£	£	£	£	£	£	£ s. d.	
No. 137	5,980,000	..	2,163,000	..	..	..	99 12 6	15.8.65
	..	..	..	..	..	..	Par	15.2.72
	..	..	..	8,416,000	..	..	Par	15.9.85
No. 139	8,230,000	..	..	..	..	..	Par	15.5.66
	..	2,225,000	..	..	..	..	99 0 0	15.8.72
	..	..	..	13,702,250	..	..	Par	15.9.85
London	..	..	..	..	2,479,000	..	Par	15.4.76-78
New York	..	..	..	..	1,273,400	..	97 10 0	1.7.82
New York	..	..	..	..	1,061,338	..	99 0 0	1.10.82
Series G	..	..	..	..	..	2,930,768	Par	1.10.69
Series H	..	..	..	..	..	1,061,129	Par	1.6.70
	14,210,000	2,225,000	2,163,000	22,118,250	4,813,738	3,991,897	..	..

Expenses associated with the raising of loans for works purposes were met from the Loan Fund, a total amount of £321,722 being so charged during the year. Of this sum £291,818 was in respect of loans raised in the year, and £29,904 related to loans raised in 1961-62. The expenses in respect of Special Bonds Series "H" 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 1962-63 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.		4 Per Cent.	4½ Per Cent.	4¼ Per Cent.	4½ Per Cent.	5 Per Cent.			Special Bonds.
	£	£	£	£	£	£	£	£	£ s. d.	
3½ per cent., 15.9.62	14,075,180	4,379,180(a)	..	3,625,000	..	..	..	..	99 12 6	15.8.65
	..	..	..	..	..	3,195,000	..	..	Par	15.2.72
	..	..	..	..	..	..	2,254,000	..	Par	15.9.85
	..	..	..	..	..	..	..	622,000	Par	Series "G"
4½ per cent., 15.9.62	25,255,540	1,999,540(a)	..	7,760,000	..	..	..	..	99 12 6	1.10.69
	..	..	..	..	..	8,175,000	..	..	Par	15.8.65
	..	..	..	..	..	..	6,744,000	..	Par	15.2.72
	..	..	..	..	..	..	..	577,000	Par	15.9.85
	..	..	..	..	..	..	..	..	Par	Series "G"
4 per cent., 15.2.63	8,502,000	649,000(b)	..	4,565,000	..	..	..	..	Par	1.10.69
	..	..	..	..	2,701,000	..	..	..	Par	15.5.66
	..	..	..	..	..	..	..	..	99 0 0	15.8.72
	..	..	..	..	..	..	458,000	..	Par	15.9.85
	..	..	..	..	..	..	..	129,000	Par	Series "H"
5 per cent., 15.4.63	10,760,000	2,809,000(b)	2,366,000	..	..	..	..	..	Par	1.6.70
	..	..	..	4,327,000	..	..	..	..	Par	15.5.66
	..	..	..	..	..	..	..	1,258,000	98 17 6	15.8.72
	..	..	..	..	..	..	..	..	Par	Series "H"
5½ per cent., 15.4.63	43,425,200	300,000(a)	21,585,000	..	..	..	..	..	Par	1.6.70
	..	3,081,000(b)	..	16,644,000	..	..	..	..	Par	15.5.66
	..	..	..	..	..	..	..	..	98 17 6	15.8.72
	..	..	..	..	..	..	..	1,815,200	Par	Series "H"
	..	..	..	..	..	..	..	..	Par	1.6.70
	102,017,920	6,678,720(a)	23,951,000	36,921,000	2,701,000	11,370,000	9,456,000	4,401,200	..	..
		6,539,000(b)								

The bonuses paid to converters in respect of the September and February conversions were met from the Loan Fund ; that in respect of the April conversion will be met in the current year.

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.	Face Value.	Cost.	Series " G "	Series " H "
		£	£	£	£
A	1.1.1966	183,390	185,224	121,422	63,802
B	1.10.1966	223,390	224,910	148,160	76,750
C	1.6.1967	168,800	168,800	103,150	65,650
D	1.1.1968	108,160	108,160	67,860	40,300
E	1.6.1968	56,360	56,360	34,490	21,870
F	1.1.1969	253,560	253,560	169,510	84,050
G	1.6.1969	71,740	71,740	..	71,740
	—	1,065,400	1,068,754	644,592	424,162

Public Debt and Debt Charges.—The Public Debt statement discloses that the Public Debt increased during the year by £41,774,916 and that the total amount of the indebtedness at 30th June, 1963, amounted to £716,252,331. Of this total, £660,433,627 represented internal and £55,818,704 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 £715,745,753. 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	£	821,171,581	£	
Less—On account of equity in National Debt Sinking Fund			£	92,525,963
				<hr/>
Net Liability			£	728,645,618
Plus—Unapportioned—Loan Cash on Hand			£	20,568
				<hr/>
			£	728,666,186
<i>Deduct—Exchange premium—</i>				
London		1,402,278		
New York		9,330,419		
Canada		1,029,306		
Switzerland		813,430		
Netherlands		345,000		
				<hr/>
			£	12,920,433
State's capital liability to the Commonwealth as above			£	<hr/>
				715,745,753

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

	£		£
Interest—On Funded Debt		30,845,435	
Loan Management and Expenses of Paying Interest		109,518	
Exchange on Overseas Interest		1,082,937	
			<hr/>
Total Interest (excluding interest on Commonwealth advances for Housing and Soldier Settlement and interest paid on Deposits)			£
			32,037,890
Sinking Fund—State's contributions to National Debt Sinking Fund—for details see section on the National Debt Sinking Fund			£
			6,738,283
			<hr/>
Total Debt Charges			£
			38,776,173
			<hr/>
The comparable figure for the previous year was			£
			35,192,158

Loan Expenditure.—The net loan expenditure in the year 1962–63 according to Treasury records was £55,332,644, compared with £53,416,863 for 1961–62 and £51,704,981 for 1960–61. The details are summarized below :—

	1960–61.	1961–62.	1962–63.
	£	£	£
Railways	7,563,610	7,664,373	7,809,221
Water Supply	8,094,984	7,955,704	8,053,886
Forests	763,718	914,669	1,025,098
Country Roads	283,000	683,000	301,000
King-street Bridge	1,029,722	280,317	66,490
Electricity Commission	6,750,000	7,000,000	8,500,000
Gas and Fuel Corporation	80,000	70,000	50,000
Portland Harbor Trust	250,000	188,000	..
Advances—Sundry	388,016	131,750	118,579
Country Sewerage	470,439	385,316	409,864
Hospitals	4,590,669	5,170,331	5,561,169
Mental Hospitals	1,211,831	1,165,110	984,201
Municipal Subsidies	510,183	665,561	952,299
Police Buildings	366,218	402,314	391,606
Rural Finance	534,200	635,000	665,000
Sanatoria, &c.	41,870	57,598	24,049
School Buildings	10,731,208	11,282,129	11,747,420
Soldier Settlement	702,782	295,487	90,834
Land Settlement	1,092,211	1,504,440	1,414,165
Slum Reclamation	536,051	710,000	840,400
Universities—			
Melbourne	325,000	480,505	423,298
Monash	1,195,000	1,878,000	1,072,747
National Art Gallery and Cultural Centre	36,000	..	500,000
Other Public Works	4,158,269	3,897,259	4,331,318
Total within Financial Agreement	51,704,981	53,416,863	55,332,644
Commonwealth–State Housing Agreement*	10,660,000	14,000,445	13,299,750
	62,364,981	67,417,308	68,632,394

* 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, 1962 .. .. .	..	211,677
Contributions 1962-63—		
<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	1,524,228	
	—————	1,694,664
<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	1,472,727	
£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	179,784	
£2 per centum per annum on tourist resorts development	6,014	
Various, on discount and expenses overseas loans	50,901	
£4 10s. per centum per annum on cancelled securities	3,838,658	
	—————	6,738,283
		—————
		8,644,624
<i>Less Interest Adjustment</i>		4,346
		—————
		8,640,278
Securities repurchased and redeemed, £7,868,032 at a cost of ..		8,133,700
		—————
Balance of cash in Sinking Fund at 30th June, 1963		506,578
		—————

The total amount of securities repurchased or redeemed and cancelled on account of this State since the inception of the scheme is now £92,019,385 at a cost, including exchange on overseas purchases, of £95,395,708.

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.

Under the authority cited above, the following expenditure stood charged to Treasurer's Advance as at the 30th June, 1963 :—

	£
Expenditure from Consolidated Revenue pending the passing of the final Supplementary Estimates for the year ..	1,605,356
Expenditure from Loan moneys pending Parliamentary sanction	226,378
	<hr/>
Total	1,831,734
	<hr/>

In his statement of expenditure from the Consolidated Revenue commencing at page 17 of his Finance Statement, the Treasurer furnishes details of the amount of £1,605,356 charged to Treasurer's Advance. With respect to the expenditure of £226,378 from loan moneys, he has submitted to me the particulars contained in Appendix "A" to this report.

TRANSFERS PURSUANT TO SECTION 25 OF THE AUDIT ACT 1958.

In respect of the year under review, the Treasurer has sought and obtained, in a number of instances, 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.

Victoria Dock Cool Stores.

A profit of £66,985 resulted from operations during the year ended 30th June, 1963. The following comparative statement summarizes transactions during each of the last three years :—

—	1960-61.		1961-62.		1962-63.	
	£	£	£	£	£	£
<i>Revenue.</i>						
Storage Charges	183,067		222,476		233,651	
Shipping Charges	13,832		2,987		6,444	
Rental	2,086		2,086		2,086	
	198,985		227,549		242,181	
<i>Expenditure.</i>						
Salaries and Wages, &c.	75,866		73,740		78,607	
Pay-roll Tax	1,903		1,875		1,968	
Rent of Site	2,710		2,710		2,706	
Agency and Commission	9,151		10,294		10,946	
Maintenance	11,584		12,691		9,651	
Electrical Energy	18,790		19,115		18,496	
Other Charges (net)	2,663		2,355		3,563	
Depreciation	16,659		16,167		18,106	
Interest on Capital	24,262		28,028		31,153	
	163,588		166,975		175,196	
Net operating profit	35,397		60,574		66,985	

During the year, capital provided by the State was increased by £62,960. Of this amount, £60,088 was provided from Loan Fund, principally for the purposes of a programme of replacements and improvements of a section of storage space erected in 1914 and of certain machinery installed in that year.

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.

30.6.1962.		ABRIDGED BALANCE-SHEET.						30.6.1963.	
£							£		
664,006	Capital provided by State .. .. .	..	..	..	..	..	726,966	
74,696	Contribution by Commonwealth, &c. .. .. .	..	..	..	..	..	74,696	
9,443	Sundry Creditors .. .. .	..	..	..	..	..	8,987	
2,961	Reserve .. .. .	..	..	..	..	..	2,961	
							£		
369,968	Profit forward .. .. .	..	..	..	..	..	369,968	
..	Plus Net Operating Profit .. .. .	..	..	..	..	..	66,985	436,953
1,121,074							1,250,563		
Fixed Assets at cost less depreciation :—									
392,661	Buildings .. .. .	..	..	..	..	..	435,231	
94,174	Machinery, Plant, &c. .. .. .	..	..	..	..	..	106,208	
13,970	Roads and Railway Sidings .. .. .	..	..	..	..	..	13,747	
500,805							555,186		
3,612	Stores on hand .. .. .	..	..	..	..	..	3,484	
116,591	Sundry Debtors .. .. .	..	..	..	..	..	105,967	
500,066	Balance of payments to Consolidated Revenue over working and other expenses provided therefrom .. .. .	..	..	..	..	..	585,926	
1,121,074							1,250,563		

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 £7,977,782. 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:—

	1961-62.	1962-63.
	£	£
<i>Expenditure—</i>		
Salaries and Allowances	6,941,004	7,319,852
Overtime and Penalty Rates	64,676	71,775
Payments in lieu of Long Service Leave	85,884	92,212
Pay-roll Tax	173,430	182,461
Travelling and Subsistence	260,336	252,967
Office Requisites and Equipment, Printing, &c.	81,927	90,498
Postal and Telephone Expenses	164,998	164,996
Motor Vehicles, Purchase and Running Expenses	274,704	284,940
Fuel, Light, Power, and Water	72,988	77,884
Other Expenditure	197,859	204,940
Maintenance, Rent, Erection of Buildings	107,938	98,547
Police Classification Board	2,633	2,805
Workers' Compensation Insurance	82,145	91,984
Pensions and Superannuation	871,650	67,000
	9,382,172	9,002,861
 <i>Revenue—</i>		
Police Services	505,287	553,525
Firearms Licences	4,114	4,371
Recoup from Country Roads Board Fund—Cost Motor Registration Branch	471,248	467,183
	980,649	1,025,079
Net Cost to Revenue	8,401,523	7,977,782
 Plus Expenditure from Special Works Trust Account Commonwealth Grant on Maintenance and Repairs of Police Buildings and Residences		
	..	19,899
	8,401,523	7,997,681
 Further Expenditure from Loan Funds on Police Buildings and Residences		
	402,314	391,606

The increase in “Salaries and Allowances” was mainly the result of:—

- (i) increases in uniform and compensatory allowances; and
- (ii) an increase over the year of 96 in the strength of the Police Force.

Despite the increases in salaries and allowances, the net cost of Police Services decreased, mainly because of the much smaller amount appropriated from Consolidated Revenue as a contribution to the Police Pensions Fund in accordance with the provisions of Section 55 of the *Police Regulation Act 1958*. The amount of this contribution is lower by £835,000 than the sum anticipated for this purpose by the Treasurer in his Estimates of Expenditure for the year. Further reference to the substantial decrease in this appropriation is made in the “Trust and Special Accounts” section of this report.

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 is 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 :—

1961-62.				1962-63.
£			£	£
	<i>Country Roads Board Fund—</i>			
9,790,371	Motor Fees and Drivers' Licence Fees		10,401,512	
582,926	Additional Fees (two-thirds)		707,526	
			11,109,038	
	<i>Level Crossings Fund—</i>			
291,463	Additional Fees (one-third)			353,763
	<i>Municipalities Assistance Fund—</i>			
259,890	Motor Drivers' Licence Fees (half)			318,653
	<i>Transport Regulation Fund—</i>			
5,742	Omnibus Registration Fees			5,760
10,930,392	<i>Total Fees under Motor Car Act</i>			11,787,214
	<i>Third-party Insurance—</i>			
4,773,398	Premiums on behalf of Approved Insurers			5,568,067
58,076	Motor Car (Hospital Payments) Fund			63,153
660,984	Consolidated Revenue—No. 1 Taxation (Surcharges)			718,108
16,422,850	<i>Total Collections</i>			18,136,542

It will be noted that, as compared with the previous year, fees collected by the Branch under the Motor Car Act increased by £856,822. The higher collections from this source in 1962-63 were due to :—

- (i) the greater number of motor cars registered, 956,718, as against 904,485 in 1961-62 ;
- (ii) an increase of 79,494 in the number of drivers' licences issued ; and
- (iii) a substantial rise in the receipts from " Additional Fees " collected in respect of the transfers of ownership of motor cars and the registration of new motor cars.

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.

SOCIAL WELFARE BRANCH.

This Branch is established on the basis of six divisions as listed hereunder :—

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

The expenditure, revenue and net cost of the Branch to Consolidated Revenue for the past two years are summarized hereunder :—

Division.	1961-62.			1962-63.		
	Expenditure.	Revenue.	Net Cost.	Expenditure.	Revenue.	Net Cost.
	£	£	£	£	£	£
Administration and Research and Statistics	63,698	..	..	110,202	..	..
Family Welfare	1,308,623	..	..	1,322,288	..	..
Youth Welfare	343,344	..	..	385,814	..	..
	1,715,665	71,875	1,643,790	1,818,304	83,340	1,734,964
Prisons	1,204,259	121,066	1,083,193	1,242,709	136,383	1,106,326
Training	13,524	..	13,524	28,077	..	28,077
Probation and Parole	80,756	..	80,756	96,837	..	96,837
	3,014,204	192,941	2,821,263	3,185,927	219,723	2,966,204

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

EXPENDITURE FROM CONSOLIDATED REVENUE.

	1961-62.		1962-63.	
	£	£	£	£
<i>Administration and Research and Statistics—</i>				
Salaries	44,873		53,552	
Overtime and penalty rates	2,222		1,691	
Payments in lieu of long service leave	4,228		744	
		51,323		55,987
Payroll Tax		1,073		1,271
Rent—Chelsea House				40,063
Other		11,302		12,881
		63,698		110,202

Rent, payable from 16th July, 1962, in respect of the Branch's occupancy of part of "Chelsea House", North Melbourne, amounting to £40,063, was the main reason for the increase in the expenditure of this division.

	1961-62.		1962-63.	
	£	£	£	£
<i>Family Welfare—</i>				
Salaries	107,023		106,886	
Overtime and penalty rates	1,677		1,704	
Payments in lieu of long service leave	232		..	
Payroll Tax	2,477		2,496	
School Books	10,211		7,795	
Other	21,320		19,455	
Carried forward		142,940		138,336

		1961-62.	1962-63.
	£	£	£
Brought forward		142,940	138,336
Maintenance of Wards—			
In Departmental Establishments—			
Salaries	176,142		196,146
Overtime and penalty rates	26,888		29,593
Payments in lieu of long service leave	736		439
Provisions	50,742		45,036
Clothing	26,226		18,989
Light, power, fuel	11,958		10,859
Other	32,667		42,567
	<hr/>	325,359	<hr/>
Boarded out in Children's Homes and Foster Homes ..		432,961	479,555
Allowances for children (non-wards) in necessitous circumstances		407,363	360,768
		<hr/>	<hr/>
		1,308,623	1,322,288

As indicated in the summary, major variations were:—

- (i) increases of £20,004, in salary costs of personnel employed in departmental establishments and £46,594, in payments in respect of wards boarded out in children's homes and foster homes; and
- (ii) a decrease of £46,595 in allowances for children (non-wards) in necessitous circumstances.

The rise in salary expenditure was due to the enlargement of the institutional staff. The increase in payments for wards boarded out in homes was largely the result of an extra four-weekly payment falling due in 1962-63 as compared with the previous year. The decrease in allowances paid on account of children in necessitous circumstances was due to the smaller number of families needing assistance in the year under review.

		1961-62.	1962-63.
	£	£	£
<i>Youth Welfare—</i>			
Salaries	20,925		21,564
Overtime and penalty rates	75		114
Payments in lieu of long service leave	470		..
Payroll Tax	479		498
Other	6,173		8,649
	<hr/>	28,122	<hr/>
30,825			
Maintenance of Wards—			
In Departmental Establishments—			
Salaries	140,087		154,086
Overtime and penalty rates	21,620		24,912
Payments in lieu of long service leave .. .. .	..		1,069
Provisions	36,305		37,470
Clothing	15,166		16,723
Light, power, fuel	13,644		16,119
Other	24,777		30,285
	<hr/>	251,599	<hr/>
In non-Departmental Establishments		63,623	*69,945
Allowances to trainees .. .. .		..	4,380
		<hr/>	<hr/>
		343,344	385,814

* Includes £10,560, subsidies to hostels, charged to Division 28—Family Welfare.

The generally higher costs for 1962-63 reflected the continued expansion of youth welfare activities.

<i>Prisons—</i>	1961-62.		1962-63.	
	£	£	£	£
Salaries	576,943		593,462	
Overtime and penalty rates	87,766		110,462	
Payments in lieu of long service leave	6,116		4,517	
		670,825		708,441
Payroll Tax	16,632		16,176	
Travelling and Subsistence	6,842		6,802	
Motor Vehicles—Purchase and Running Expenses	19,043		15,750	
Fuel, light, power and water	49,228		49,295	
Stores, provisions, equipment, &c.	190,235		181,588	
Materials for manufacture	102,918		121,924	
Allowances to Working Prisoners	78,962		84,337	
Maintenance, Erection of Buildings, &c.	51,016		42,559	
Workers' Compensation Insurance	5,775		6,413	
Other Expenditure	12,783		9,424	
		533,434		534,268
		<u>1,204,259</u>		<u>1,242,709</u>

It will be seen that the rise in expenditure of this division was caused by increased payments on account of "Salaries", £16,519, and "Overtime and Penalty Rates", £22,696. The former was due to an increase in staff strength and the latter arose from the necessity to retain the services of a number of members of staff for periods in excess of normal working hours in order to meet special circumstances.

<i>Training—</i>	1961-62.		1962-63.	
	£	£	£	£
Salaries		8,679		19,861
Payroll Tax	198		457	
Travelling and Subsistence	132		193	
Motor Vehicles—Purchase and Running Expenses	900		124	
Training Equipment and Materials	2,975		3,996	
Other Expenditure	640		3,446	
		4,845		8,216
		<u>13,524</u>		<u>28,077</u>

The further extension of training facilities and the appointment of additional staff were the principal causes of the increase in the expenditure of this division.

<i>Probation and Parole—</i>	1961-62.		1962-63.	
	£	£	£	£
Salaries	60,416		70,328	
Overtime and Penalty Rates	207		523	
Payments in lieu of long service leave .. .. .	..		2,499	
		60,623		73,350
Payroll Tax	1,201		1,629	
Travelling and Subsistence	5,496		7,500	
Motor Vehicles—Purchase and Running Expenses	1,922		3,164	
Parole Boards—Members' Fees and Expenses	3,855		3,708	
Rent of Buildings	4,185		3,927	
Workers' Compensation Insurance	373		447	
Other Expenditure	3,101		3,112	
		20,133		23,487
		<u>80,756</u>		<u>96,837</u>

Ten additional probation and parole officers were appointed in the latter half of 1961-62. The full year's effect of their appointment was the main cause of the increase in costs in 1962-63.

Special Works Trust Account—Commonwealth Grant.—In 1962–63, in addition to the expenditure provided directly from Consolidated Revenue as set out in the preceding summaries, expenditure on the maintenance of buildings, amounting to £13,653, was incurred by the Public Works Department and financed from the “Special Works Trust Account—Commonwealth Grant” on account of the divisions shown hereunder:—

						£
Family Welfare	..	..	..	..	..	1,452
Youth Welfare	..	..	..	..	..	2,636
Prisons	..	..	..	..	..	9,001
Training	..	..	..	..	..	564
Total	..	..	..	..	..	<u>13,653</u>

LOAN EXPENDITURE.

Expenditure from loan moneys amounted to £204,694, 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 1962–63 as compared with the previous year are as set out below:—

	1962-63.			1961-62.
	Expenditure.	Revenue.	Net Cost.	Net Cost.
	£	£	£	£
State Library, &c.	827,696	2,120	825,576	755,242
Government Statist	135,512	49,314	86,198	91,925
Fisheries and Wildlife	288,530	74,447	214,083	202,751
Immigration	24,904	29	24,875	27,032
Other Branches	260,338	84,152	176,186	157,478
Administrative	147,670	12,167	135,503	108,709
	<u>1,684,650</u>	<u>222,229</u>	<u>1,462,421</u>	<u>1,343,137</u>

Expenditure from loan funds during 1962–63 related to:—

						£
State Library, Latrobe Library, National Gallery, National Museum and Institute of Applied Science	..	..	..	..	..	207,870
Country Art Galleries	..	..	..	..	..	1,294
Fisheries and Wildlife	..	..	..	..	..	53,299
Immigration	..	..	..	..	..	34,904

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.

A contributing factor in the rise in the net cost of the Fisheries and Wildlife Branch was the expenditure for the year of £14,895 in connexion with the eradication of European Carp.

The reduction in the net cost of the Immigration Branch arose principally from savings in salary costs, offset by decreased revenue, consequent upon the closing of the reception centre at the Exhibition Buildings.

The expenditure for “Other Branches” includes a contribution of £60,000 to the Aborigines Welfare Fund, that is, an increase of £10,000 over the previous year. Further reference to this Fund is made under the general heading of “Trust and Special Accounts” later in this report.

Increased expenditure in respect of Commissions and Boards of Enquiry was the main reason for the greater net cost in the items grouped under the heading “Administrative”.

EDUCATION.

The net expenditure on education from Consolidated Revenue during 1962-63 was £49,942,088. 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.		45,968,707	
University Grant		1,000	
		45,969,707	45,969,707
Treasury—			
Schools, &c. (Payroll Tax, Workers' Compensation Insurance, &c.)		1,130,450	
University Grants		1,836,000	
		2,966,450	2,966,450
Public Works—Schools, &c. (Maintenance, Rents, &c.)			130,597
Agriculture—University Grant			30,000
Special Appropriations—			
Adult Education, Pensions, &c.		1,128,169	
University of Melbourne		98,100	
Monash University		250,000	
		1,476,269	1,476,269
			50,573,023
<i>Less—</i>			
Revenue Collections		582,069	
Recoups of Expenditure		48,866	
		630,935	630,935
Net Cost to Revenue			49,942,088
Forestry Fund—University Grant			500
Loan Acts Nos. 6826 and 6931, Maintenance— Schools &c.			1,051,847
Loan Acts Nos. 6826 and 6931, Capital Works— Schools, &c.			10,695,573
Loan Acts Nos. 6826 and 6931, University of Melbourne			493,520
Act No. 6184/6712—Monash University			1,388,086
Special Works Trust Account—Commonwealth Grant— School Buildings and Fencing Works			166,336
Total Cost of Education			63,737,950

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

	£
Primary schools	3,611,312
High schools	4,445,537
Technical schools	2,376,746
Girls' secondary schools	69,465
Teachers' colleges and hostels	121,394
Universities	1,881,606
Other	71,119
	12,577,179

Expenditure by the Public Works Department from Loan Fund for both capital and maintenance works in connexion with schools, teachers' colleges and hostels amounted to £11,445,504 of which £1,078,257 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 1962-63 and the four preceding years:—

	1958-59.	1959-60.	1960-61.	1961-62.	1962-63.
Consolidated Revenue—	£	£	£	£	£
Expenditure	31,612,647	35,954,435	40,830,004	44,782,933	50,524,157
Receipts	363,400	438,966	490,928	514,086	582,069
Net Cost Consolidated Revenue	31,249,247	35,515,469	40,339,076	44,268,847	49,942,088
Forestry Fund—Chair of Forestry—University	4,500	3,750	2,500	1,500	500
Loan Fund	8,478,565	10,948,465	12,262,708	13,701,823	13,629,026
Special Works Trust Account—Commonwealth Grant .. .. .	..	..	..	400,000	166,336
Total Cost	39,732,312	46,467,684	52,604,284	58,372,170	63,737,950

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.

	1961-62.	1962-63.
	£	£
Administration	856,004	929,260
Central Schools and Classes	258,343	273,173
Correspondence School	148,208	163,797
Girls' Secondary Schools	929,232	768,291
High Schools	12,768,606	14,994,468
Higher Elementary Schools	185,354	108,442
Primary Schools	21,328,399	23,159,888
Registered Schools	539,477	560,037
Special Schools and Hostels attached thereto	587,594	626,446
Special Activities (Library, Music, &c.) ..	936,763	1,067,601
Technical Schools	9,781,720	10,806,359
Teachers' Colleges	4,321,618	4,857,553
Teachers' Colleges Hostels	195,168	168,756
Universities	4,453,977	4,112,697
Pensions, &c.	1,020,025	1,092,581
Miscellaneous	61,682	48,601
	58,372,170	63,737,950

Reference to the details in Appendix "E" to this report discloses, *inter alia*, that "Salaries—Teachers" rose from £28,501,277 to £32,515,228, an increase of £4,013,951. Approximately half of this increase was due to the effect of the Teachers' Award which operated from 1st July, 1962. The remaining half of the increase was almost wholly attributable to:—

- (i) the cost of the salaries for a half-year of the graduates from Teachers' Colleges who, to the number of 1,935, were appointed to teaching positions on 1st January, 1963; and
- (ii) the effect of a full year's cost of the salaries of the graduates from Teachers' Colleges appointed on 1st January, 1962.

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.

1961-62.		1962-63.	
£	Source of Funds—	£	£
6,969,198	Consolidated Revenue (net)	8,313,535	
2,746,531	Loan Acts	2,476,879	
65,991	Special Works Trust Account—Commonwealth Grant—	15,945	
		—————	10,806,359
658,505	Tuition fees collected by Technical Schools		682,348
197,222	Other Technical School Revenue		248,416
—————			—————
10,637,447			11,737,123
31,944	<i>Less</i> Surplus in Technical School Maintenance Accounts		
..	<i>Plus</i> Deficit in Technical School Maintenance Accounts		3,601
—————			—————
10,605,503			11,740,724
—————			—————
Disbursement of Funds—			
Salaries (including Pay-roll Tax)—			
5,419,840	Teachers and part-time Instructors	6,604,197	
838,427	Administrative and Maintenance Staff	910,557	
		—————	7,514,754
2,836,009	Erection and Maintenance of Buildings, &c.		2,515,862
240,396	Equipment (including Special Equipment Grants £100,000)		245,903
476,973	General costs of classes	515,534	
408,565	Administrative and other costs	511,318	
		—————	1,026,852
396,714	Allowances to pupils		451,180
—————			—————
10,616,924			11,754,551
11,421	<i>Less</i> Rents, &c., received by Education Department		13,827
—————			—————
10,605,503	Total Net Cost		11,740,724
—————			—————

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:—

	1959-60.	1960-61.	1961-62.	1962-63.
	£	£	£	£
Cost of conducting teachers' colleges	3,080,654	3,549,977	3,897,640	4,764,151
Cost of conducting hostels for students in training	121,349	131,241	160,428	127,365
	3,202,003	3,681,218	4,058,068	4,891,516
Average number of students in hostels	1,358	1,401	1,472	1,564
Average number of students accommodated privately	3,871	4,314	4,597	4,937
Average total number of students	5,229	5,715	6,069	6,501
	£	£	£	£
Average <i>per capita</i> cost of training per annum	589	621	642	733
Average additional <i>per capita</i> cost of training per annum for those students accommodated in hostels	89	94	109	82

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

	1959-60.	1960-61.	1961-62.	1962-63.
	£	£	£	£
Allowances not exceeding 1s. per day for eligible pupils attending primary schools	102,491	93,585	98,449	84,082
Allowances to eligible pupils attending post-primary schools (covering travel by bicycle and/or public transport facilities)	235,366	269,294	287,312	319,700
Payments to contractors providing special bus transport services for pupils	1,782,006	2,030,588	2,137,993	2,272,165
	2,119,863	2,393,467	2,523,754	2,675,947

UNIVERSITY OF MELBOURNE.

The accounts of this University are subject to a continuous audit by officers acting 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>	1961.		1962.	
	£	£	£	£
<i>State Government Grants—</i>				
General purposes	1,190,162		1,394,943	
Special purposes	321,657		868,360	
	1,511,819		2,263,303	
<i>Commonwealth Government Grants—</i>				
General purposes	1,313,747		1,453,000	
Special purposes	256,349		856,079	
	1,570,096		2,309,079	
Fees		1,241,580		1,337,817
Donations and bequests		689,162		696,805
Interest, dividends, rents		202,987		214,038
Loan for Dental Hospital Building		456,250		527,250
Other income		175,189		190,254
		5,847,083		7,538,546
 <i>Expenditure—</i>				
Salaries and Pay-roll Tax		3,347,507		3,766,271
Apparatus and books		460,523		665,709
Buildings, land, grounds, and vehicles		1,182,273		2,028,155
Examination expenses		116,259		129,789
Special grants, and fees to affiliated institutions		244,344		253,348
General expenses		298,881		372,414
Payment to Dental Hospital of proceeds of loan		512,467		487,245
Interest and Redemption—Dental Hospital loan		24,261		70,690
		6,186,515		7,773,621
 <i>Balance—</i>				
General Account		<i>Deficit</i> *407,869	<i>Deficit</i> *190,712	
Trust Fund		<i>Surplus</i> *68,437	<i>Deficit</i> *44,363	
		<i>Net Deficit</i> 339,432	<i>Gross Deficit</i> 235,075	

* 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 deficit of £21,353 for 1962, compared with a surplus of £411 in the previous year. After debiting the deficit, the accumulated deficit on this account at 31st December, 1962 was £124,461.

As in previous years, Government Grants comprised more than half the income of the University in 1962. State Government grants, provided principally from Consolidated Revenue, increased by £751,484, 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.

Since its inception, the accounts of the Monash University have been the subject of periodic audits by officers acting under my direction. It is now apparent that, in the near future, a continuous audit of these accounts will be required.

In response to a request by the University and under the authority of Section 36 of the Monash University Act No. 6184, I signified my approval to the presentation, from and inclusive of the year 1962, of the University's accounts in an altered form. The particulars hereunder summarize the contents of the related statements and, with the necessary adaptations, those of the previous year :—

	1961.		1962.	
	£	£	£	£
<i>Income—</i>				
State Government Grants—				
General purposes	*554,000		523,477	
Special purposes	1,148,903		1,744,035	
		1,702,903		2,267,512
Commonwealth Government Grants—				
General purposes	233,000		323,000	
Special purposes	2,017,307		1,494,036	
		2,250,307		1,817,036
Students' Fees including Union		39,038		81,825
Grants and Donations		2,292		62,098
Other income		8,599		5,554
		<u>4,003,139</u>		<u>4,234,025</u>
<i>Expenditure—</i>				
Salaries and Associated Expenditure		287,325		547,114
Books, equipment, furniture, &c.		†576,714		394,849
Buildings, land, grounds, vehicles		32,622		41,853
Student services		15,419		12,699
General Expenditure		143,747		227,532
Site development		140,860		361,298
New Buildings		2,705,182		2,930,562
		<u>3,901,869</u>		<u>4,515,907</u>
<i>Balance—</i>				
Recurrent expenditure	<i>Deficit</i>	41,605	<i>Deficit</i>	83,159
Grants and Donations	<i>Surplus</i>	2,292	<i>Surplus</i>	19,487
Capital Funds	<i>Surplus</i>	140,583	<i>Deficit</i>	218,210
	<i>Net Surplus</i>	<u>101,270</u>	<i>Net Deficit</i>	<u>281,882</u>

* Includes £104,000—Special Equipment Grant.

† Includes £108,000—Equipment purchased from funds made available for building purposes.

The net credit balance as at 31st December, 1962, amounted to £256,656. Details are :—

	£	£
Unexpended Capital funds	415,394	
<i>Add—</i> Donations on Hand	21,779	
	<u>437,173</u>	
<i>Less—</i> Accumulated Deficit on account of recurrent transactions		180,517
		<u>256,656</u>

It will be observed that Government grants, Commonwealth and State, were the principal sources of income in each of the two years.

The increase in enrolments from 363 to 798 is reflected in the increase in the receipts from Students' Fees.

FORESTS.

EXPENDITURE.

In the year under review, expenditure amounted to £3,398,805. Under broad headings the principal divisions of expenditure in the past two years were:—

	1961-62.	1962-63.
	£	£
Appropriations—		
Salaries and Payments in the Nature of Salary	773,860	781,000
Pay-roll Tax	20,947	21,049
Pensions	31,344	33,768
School of Forestry	17,150	17,400
Other Administrative Expenses	75,776	79,037
Utilization Forest Produce	308,989	299,841
Business Undertakings	67,896	63,064
Contribution to the National Sirex Fund	10,425	12,510
Payment into Bennison Roothing Trust Account .. .. .	..	96,000
Sundry	13,338	20,997
	<u>1,319,725</u>	<u>1,424,666</u>
Forestry Fund—		
Forests	901,891	841,912
Plantations	44,784	63,142
Nurseries	20,541	20,791
General	53,385	37,875
	<u>1,020,601</u>	<u>963,720</u>
Loan Fund—		
Land	26,446	66,295
Fire Protection	206,686	235,290
General Operations	99,317	85,745
Extraction Roads	282,761	247,315
Plantations	239,522	285,393
Buildings	53,406	58,140
Plant and Machinery	6,531	10,241
	<u>914,669</u>	<u>988,419</u>
Special Works Trust Account—Commonwealth Grant—		
Plantations	20,000	12,000
Destruction of Dead Pines .. .. .	..	4,220
Construction of Tracks .. .. .	..	5,780
	<u>20,000</u>	<u>22,000</u>

Since the inception of the use of loan funds for forestry purposes, the sum of £20,134,550 has been so applied. After allowing for discount and expenses and amounts redeemed or repaid, the Loan Liability at 30th June, 1963, was £16,833,535, towards which there was an equity of £1,320,679 in the National Debt Sinking Fund.

Variations in percentages relating to the expenditure as detailed above may be compared as under:—

	1961-62.		1962-63.	
	£	%	£	%
Vote, &c.	1,319,725	40·3	1,424,666	41·9
Forestry Fund	1,020,601	31·2	963,720	28·4
Loan Fund	914,669	27·9	988,419	29·1
Special Works Trust Account—Commonwealth Grant ..	20,000	·6	22,000	·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 £188,874 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.

In the second half of the financial year 1961-62, a National Sirex Fund was created to which the Commonwealth, on the one hand, and the States, on the other, agreed to contribute on a £ for £ basis. Contributions have also been made to the Fund by private forest owners. To the 30th June, 1963, Victoria had contributed as its share the sum of £22,935, of which sum £10,425 was contributed in 1961-62 and £12,510 in 1962-63. From the Fund, Victoria had received up to the 30th June, 1963, a total of £123,286 to finance the expenditure incurred by the State in its efforts to eradicate and control the siren wasp.

In so far as the State is concerned, relevant transactions are recorded in an account styled the "Commonwealth-State Sirex Trust Account" kept in the Victorian Treasury. Expenditure charged to the Account up to the 30th June, 1963, amounted to £117,583 of which £26,307 was charged to the Account in 1961-62 and £91,276 in 1962-63. The balance at the credit of the Account as at the 30th June, 1963, was £5,703. It should be pointed out, however, that, as at the close of the year, there were certain items of expenditure incurred in the year in connexion with the siren wasp campaign which are to be charged to the Account in 1963-64.

It will be noted, on reference to the Commission's revenue receipts in this section of the report, that an amount of £96,000 has, in 1962-63, been transferred from the Bennison Roding Trust Account to Consolidated Revenue, that is, a sum equivalent to the payment into that Trust Account, also in 1962-63, shown in the preceding summary of expenditure. These entries, which were contra entries, were made by the Treasury in response to an Audit Query to which reference is made at page 45 of my report on the accounts for 1960-61. The sum in question, £96,000, was contributed by the Heyfield Sawmillers Logging Company Pty. Ltd. on behalf of millers in the Macalister Forest District towards the provision of special roading in that district. The contributions which amounted to this sum were made at the rate of £36,000 a year up to and inclusive of the 10th July, 1961, and were credited to the Bennison Roding Trust Account. Since that date, no further contributions have been made. To the 30th June, 1963, expenditure charged against the credit of £96,000 amounted to £49,129 and, therefore, the balance at credit of the Trust Account as at that date was £46,871.

Included in the gross amount of £988,419 charged to Loan Fund were allocations for special projects as set out hereunder:—

	£
Towards the provision of special roading in the Macalister Forest District:—	
Bennison Plains	61,919
Tamboritha Saddle	36,565
Plantation expansion	320,097
Establishment costs—Prison Camp, Olsen's Bridge	5,231

RECEIPTS.

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

	1961-62.	1962-63.
	£	£
Territorial—		
Rents	39,448	45,804*
Royalties	1,821,546	1,876,308
Miscellaneous	1,347	1,623
Fees	334	481†
Tramways	3,227	716
State Sawmill	81,159	74,438
Timber Seasoning Works	600	—
Departmental	332,062	321,993
Transfer from Bennison Roding Trust Account	—	96,000
Recoup of Salaries—Siren Personnel	—	14,081
Miscellaneous	30,156	28,817
	2,309,879	2,460,261

* Includes £5,379 on account of 1963-64.

† Includes £59 on account of 1963-64.

During the year, there was a greater and more selective demand for hardwood timber than in the previous year. The increase in the amount received from Royalties is largely a reflection of the higher production of hardwood logs necessary to meet this demand. Actually, the effect of the increase due to this cause was reduced to some extent by a slight fall in the related average royalty rate. This fall, in turn, was mainly the result of the remoteness of the geographical locations from which a large volume of the hardwood logs had to be obtained. The revenue from Royalties in 1962–63 was assisted also by the greater output of softwood logs during that year. This increase in volume was accompanied by an upward trend in the average royalty rate as a result of the utilization of larger and older trees.

The net cost of the Commission for 1962–63, based on receipts and expenditure in the Consolidated Revenue Account, was £672,395.

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

1961-62.	<i>Receipts.</i>	1962-63.	1961-62.	<i>Expenditure.</i>	1962-63.
£		£	£		£
2,309,879	As detailed	2,460,261	11,437	Commissioners' Salaries	11,450
666,329	Net Cost	672,395	1,276,944	Votes	1,379,448
			31,344	Pensions	33,768
			931,171	Grants to the Forestry Fund	961,868
			685,015	Interest and Exchange on Loans	704,475
			1,205	Loan Conversion Expenses	458
			39,092	National Debt Sinking Fund	41,189
<hr/>		<hr/>	<hr/>		<hr/>
2,976,208		3,132,656	2,976,208		3,132,656

Forests Roads Account.—As provided for in Section 32A, inserted in the *Forests Act 1958* by direction of the *Forests (Further Amendment) Act 1962*, there are to be paid into the Forests Roads Account in the Trust Fund in the Treasury all moneys which pursuant to any agreement are paid to or received by the Forests Commission for the use of any road or track constructed or maintained within State forests by the Commission. Moneys to the credit of the Account are available, in terms of the said Section, for or towards the maintenance of forest roads or tracks.

During the year, an amount of £4,284 was credited to the Account being the total of collections from road charges at a rate determined by the Commission for the purposes of sub-clause (3) of Clause 18 of the Schedule to the *Forests (Wood Pulp) Agreement Act 1961*.

No expenditure was charged to the Account during the year and, accordingly, as at the close of the year, the balance at credit of the Account was £4,284.

STORES SUSPENSE ACCOUNT AND PLANT AND MACHINERY FUND.

Forests Stores Suspense Account.—The terms of operation of the 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.

Costs of repairs of plant and machinery charged to the Account 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 £107,516 at credit of the Forests Stores Suspense Account in the Treasurer's books at 30th June, 1963, 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		35,300	
Repairs to Plant Account		81,489	
Manufactured Articles (Carpenters' Shop)		188*	
		—————	116,977
 <i>Debit balances—</i>			
Drums Account		5,186	
Fire Protection Workshop Account—			
Unadjusted Expenditure	5,775		
Less Advance from Stores Account	1,500		
		—————	4,275
			9,461
			—————
			107,516
			—————

* 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 1962–63, a sum of £10,000 together with the proceeds of the sale of surplus stocks amounting to £18,837 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.

Forests 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, 1963 :—

	1st July, 1953, to 30th June, 1962.	1st July, 1962, to 30th June, 1963.	Total.
	£	£	£
Plant Hire	1,109,770	114,580	1,224,350
Expenditure on Renewals	858,516	104,791	963,307
	—————	—————	—————
Balance at 30th June, 1963			261,043
			—————

STATE SAWMILL, ERICA.

The following information taken from the Commission's Profit and Loss Statements summarizes operations in 1961-62 and 1962-63:—

	1961-62.		1962-63.	
	£	£	£	£
Sales	81,698		75,978	
Other Receipts	431		639	
		82,129		76,617
Working Expenses	73,550		70,274	
Interest Calculated on Capital Used in the Business	2,541		2,541	
Decrease in Stock	1,853		1,184	
		77,944		73,999
Net Profit		4,185		2,618

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, 1963, was £72,171.

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

	30.6.62.		30.6.63.	
	£	£	£	£
<i>Fixed Assets less Depreciation—</i>				
Buildings	11,646		9,656	
Machinery and Plant	13,251		10,267	
Rolling-stock	1,022		748	
		25,919		20,671
<i>Current Assets—</i>				
Debtors	13,022		13,816	
Stock on Hand—				
Timber	9,779		8,595	
Stores	48		70	
		22,849		22,481
		48,768		43,152
<i>Less Current Liabilities</i>		1,216		1,443
		47,552		41,709
The balances shown above were financed from the following sources:—				
Capital raised from Revenue and Loan Fund		61,607		61,607
Accumulated Profit		69,552		72,171
		131,159		133,778
<i>Less the excess of receipts over payments which has been paid into Consolidated Revenue</i>		83,607		92,069
		47,552		41,709

Timber stocks on hand at 30th June, 1963, comprised logs valued at £7,800, and sawn timber valued at £795.

GOVERNMENT PRINTER.

Income from printing, sales of publications, &c., for the year amounted to £1,202,446 compared with £1,203,156 in 1961-62.

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 £9,767 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) certain 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>	1961-62.	1962-63.
	£	£
Materials	419,331	419,254
Salaries and Wages (including Pay-roll Tax)	601,355	610,629
Insurance—Workers Compensation	5,245	5,217
Insurance—Fire	802	797
Power, Fuel, and Light	14,965	13,915
Repairs to Buildings and Plant	5,782	4,730
Sundry Charges	25,385	24,129
Postage and Incidentals	9,420	10,406
Depreciation	37,108	36,218
Work done by other than Government Printer	56,944	67,384
	1,176,337	1,192,679
Profit	26,819	9,767
Turnover	1,203,156	1,202,446

The total cost of plant and machinery met from loan funds to 30th June, 1963, was £531,775. 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 1962-63, the balance in the fund at 30th June, 1963, 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, 1963, excluding that of the Mental Hygiene Branch and the contributions to the Hospitals and Charities Fund, which are discussed elsewhere herein, was £4,914,306.

This expenditure comprised the following charges :—

Departmental Votes—	£
Health (Salaries, General Expenses, &c.)	4,637,814
Public Works (Maintenance, Rents, &c.)	52,586
Treasury (Pay-roll Tax)	17,651
Treasury (State Accident Insurance)	11,664
Special Appropriations (Salary of Director of Tuberculosis, and Pensions)	194,591
	4,914,306

Receipts (excluding those of the Mental Hygiene Branch) totalled £1,391,744, and the net cost of health services to revenue was £3,522,562, an increase of £163,027 compared with the previous year.

In addition to the expenditure shown above, the sum of £7,873 was expended on various minor works. This sum was provided from Special Works Trust Account—Commonwealth Grant. Also an amount of £5,134 was expended from the Government Buildings Fire Insurance Fund to restore buildings damaged by fire.

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 and 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 :—

	1960-61.	1961-62.	1962-63.
	£	£	£
Registration and other Fees	10,004	13,644	15,443
Other Receipts	6,866	6,721	6,696
	16,870	20,365	22,139

Expenditure in the same period has been :—

(a) From Revenue—	£	£	£
Central Administration	238,213	263,112	274,237
Cancer Institute	630,000	643,000	655,000
Infectious Diseases	149,732	142,543	136,718
Venereal Diseases	25,129	26,133	29,720
Inspection of Buildings, Food Supervision, &c.	223,110	243,947	257,662
Miscellaneous Grants	146,000	156,300	179,285
Subsidies—Home Help Scheme, Clubs for Elderly People, &c.	270,582	309,133	391,304
	1,682,766	1,784,168	1,923,926*
(b) From Loan—			
Cancer Institute	119,884	195,059	181,931
Other	65,303	72,707	76,131
	185,187	267,766	258,062

* Includes minor expenditure from Special Works Trust Account—Commonwealth Grant.

Tuberculosis Branch.

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

	1960-61.	1961-62.	1962-63.
	£	£	£
Commonwealth recoup under Health Act 1958	1,111,560	1,146,750	1,333,179
Other receipts	30,034	32,752	30,936
	<u>1,141,594</u>	<u>1,179,502</u>	<u>1,364,115</u>

Expenditure for the same period is compared thus :—

	£	£	£
(a) <i>From Revenue</i> —			
Operation of sanatoria, tuberculosis wards, bureaux, mass X-ray services, &c.	1,346,985	1,456,946	1,574,967
(b) <i>From Special Works Trust Account—Commonwealth Grant</i> —			
Various minor works .. .. .	..	..	5,917
(c) <i>From the Government Buildings Fire Insurance Fund</i> —			
Gresswell Sanatorium .. .. .	..	..	5,134
(d) <i>From Loan</i> —			
State sanatoria and clinics, &c.	27,388	46,306	33,260

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 :—

	1960-61.	1961-62.	1962-63.
	£	£	£
Loan	19,606	38,503	30,221
Revenue	930	29,992	18,040
	<u>20,536</u>	<u>68,495</u>	<u>48,261</u>

A progress payment of £37,695 on account of 1962-63 was received in June, 1963, and reimbursement of the balance is in course.

Progress payments to 30th June by the Commonwealth on account of 1962-63 maintenance expenditure amounted to £1,245,350. Reimbursement of the balance outstanding at 30th June, 1963, 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 :—

	1960-61.	1961-62.	1962-63.
	£	£	£
School Medical and Dental Services, Salaries, &c.	551,012	609,776	617,020
Subsidies	573,992	714,691	800,349
	<u>1,125,004</u>	<u>1,324,467</u>	<u>1,417,369*</u>
Revenue for the same period was	5,547	6,179	5,490
Net cost	<u>1,119,457</u>	<u>1,318,288</u>	<u>1,411,879</u>

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 ..	150,592	159,492	159,965
Other	4,876	9,543	11,758
	<u>155,468</u>	<u>169,035</u>	<u>171,723</u>

* Includes minor expenditure from Special Works Trust Account—Commonwealth Grant.

Mental Hygiene Branch.

The cost of the services provided by this Branch was, in 1962-63, defrayed from revenue, the Mental Hospitals Fund, and Special Works Trust Account—Commonwealth Government—1963. Gross Expenditure for non-capital purposes was £7,755,585, but as receipts amounted to £707,324 the net cost of Mental Hygiene services was £7,048,261. The gross expenditure comprised charges to—

Departmental Votes—	£
Health (Salaries and General Expenses)	7,195,390
Public Works (Maintenance, Rents, &c.)	266,207
Treasury (State Accident Insurance)	43,360
Mental Hospitals Fund	201,534
Special Works Trust Account—Commonwealth Grant	49,094
	7,755,585

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

	1960-61.	1961-62.	1962-63.
	£	£	£
Maintenance of patients—principally Commonwealth payments on account of Repatriation patients	285,766	288,109	292,781
Deduction from Salaries for Accommodation and Meals	220,508	226,630	225,922
Commonwealth Pharmaceutical Benefits*	30,900	84,972	157,290
Sales of produce	14,180	10,704	9,265
Other	15,171	16,153	22,066
	566,525	626,568	707,324

* The amount of £84,972 received in 1961-62 was on account of 1960-61, and the amount of £157,290 received in 1962-63 included £105,706 on account of 1961-62.

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

Item.	1960-61.	1961-62.	1962-63.
	£	£	£
Salaries	3,971,949	4,340,318	4,470,253
Overtime and penalty rates	592,586	578,449	641,425
Provisions and extra articles	891,312	934,035	945,125
Clothing, bedding, &c.	193,443	215,508	213,506
Stores, &c.	150,502	185,272	190,128
Fuel, light, and water	364,902	351,899	373,996
Drugs and medicines	224,231	270,956	243,023
Repairs, maintenance, &c.	287,190	312,532	315,300
Boarded-out patients	97,568	95,940	104,975
Other	228,100	234,186	257,854
Total	7,001,783	7,519,095	7,755,585

Expenditure from the Loan Fund during 1962-63 on buildings and equipment of State institutions amounted to £989,810. In addition, moneys were provided for other institutions from the sources and for the purposes shown hereunder :—

			£	£
Mental Hospitals Fund—				
University of Melbourne—Mental Health Research	..	..	7,000	
Other Institutions—Grants for Maintenance	..	..	123,982	
			<hr/>	130,982
Loan Fund—				
Other Institutions—Grants for Capital Works	..	..	..	18,483
				<hr/>
				<hr/>
				149,465
				<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 £1,729,735 as compared with £1,758,176 in the previous year. Details are as set out hereunder:—

	1961-62.	1962-63.
	£	£
Territorial Revenue—		
Fees for various licences and leases, &c.	639,713	663,959
Proceeds of sales of land—	324,373	331,678
	<hr/>	<hr/>
	964,086	995,637
Revenue from similar sources for credit to the Mallee Land Account . .	41,044	45,623
Repayments of principal by Settlers under the Closer Settlement Acts . .	225,976	181,015
Interest payments by Settlers on Loan Liabilities under the Closer Settlement Acts	71,553	69,671
Repayments of principal—Other Advances	4,573	12,198
Interest on Other Advances	607	328
Licences to occupy water frontages—for credit to the Rivers and Streams Fund	34,169	35,016
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	114,736	134,616
Miscellaneous Revenue including rental Ballarat Guncotton Factory, admission to Buchan Caves, Sales of Government property and rentals of departmental houses	76,042	76,311
Survey Fees, &c.	12,630	15,003
Premiums for credit to the Insurance Fund	14,507	14,024
Moneys for specific purposes including funds made available by Wool and Wheat Research Committees for credit to Treasury Trust Funds . .	8,287	16,181
Collections on account of North West Mallee Water Rates and Wire Netting Cash Sales	13,188	14,614
Road Loading Charges—Improvement Purchase Leases	3,738	2,690
Receipts on account of Assurance Fund	880	1,103
Net transactions through Lands Suspense Account comprising mainly deductions from pay for Group Tax, Superannuation, Insurance, &c.	172,160	115,705
	<hr/>	<hr/>
	1,758,176	1,729,735
	<hr/>	<hr/>

Expenditure.—Excluding expenditure from Trust Funds, departmental expenditure for the year amounted to £2,212,362, of which £1,433,631 was provided from Consolidated Revenue and £778,731 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, £611,723. Also, loan moneys to the sum of £101,672 were applied in accordance with the provisions of Acts Nos. 6409 and 6704 to the purchase of equipment, tools, &c., for the Branch. Further, an amount of £25,000 allocated from “Special Works Trust Account—Commonwealth Grant” was expended as follows:—

	£
Wages	16,177
Keith Turnbull Research Station	8,823
	<hr/>
	25,000
	<hr/>

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	24,859	Item 53, Act No. 6931
Cost of Survey Vehicles, Equipment, &c.	11,633	Item 49, Act No. 6826 and Item 49, Act No. 6931
Road Works—in connexion with Improvement Purchase Leases ..	22,346	Item 52, Act No. 6826 and Item 52, Act No. 6931

Disbursements by the Department from Treasury Trust Funds included—£16,258 from moneys made available by the Commonwealth through its Wool and Wheat Research Committees for rabbit control and skeleton weed research respectively, and £6,352 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 £995,059 and the accumulated deficit on account of the settlement scheme, the subject of the provisions of that Act, was, as a result, increased to £54,772,287.

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, 1962 ..	299,945	Claims paid	3,775
Premiums received	14,024	Administration expenses ..	2,577
		Balance at 30th June, 1963 ..	307,617
	313,969		313,969

RURAL FINANCE AND SETTLEMENT COMMISSION.

SETTLEMENT BRANCH.

Up to and inclusive of the 30th June, 1963, the Rural Finance and Settlement Commission continued to exercise and perform its duties in two separate and distinct branches of its establishment. One branch, the Settlement Branch, dealt with soldier and land settlement respectively under the *Soldier Settlement Act* 1958 and the *Land Settlement Act* 1959, and the other, the Finance Branch, handled rural finance matters pursuant to the provisions of the *Rural Finance Act* 1958. As the Finance Branch was outside the ambit of the Treasury accounting system, its accounts are to be discussed in my Supplementary Report which is now in course of preparation for presentation to the House. The basic financial records of the Settlement Branch were, on the other hand, part of the Treasury accounting system and, accordingly, its accounts are explained and commented upon herein.

Further to the explanations furnished above, it should be stated that the *Rural Finance and Settlement Commission Act* 1963, No. 7011—proclaimed to operate from 12th June, 1963—provides, *inter alia*, for the amalgamation of the Commission's two branches and the consolidation of the existing insurance funds and account administered by the Commission. However, by direction of Sub-section (3) of Section 1 of the Act, these changes were not to take effect until the 1st July, 1963.

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.

Soldier Settlement Scheme.

In the period from the inception of the Soldier Settlement Scheme in the year 1945-46 to 30th June, 1963, a sum of £64,826,842 has been allocated for soldier settlement. Of this sum, £57,628,139 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, 1963, was £32,054,491.

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	2,417,718
Land and Improvements held by settlers under—	£
(a) Purchase Lease	17,856,351
(b) Interim Lease.. .. .	4,868,344
	22,724,695
Advances to finance single unit farms	5,909,085
,, ,, effect improvements and for purchase of stock, &c.	472,464
Unpaid Balances under Contracts of Sale	292,172

Other assets included buildings and working plant at cost less depreciation, £52,597, and stock, plant and materials not yet allocated, £2,903.

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

	£
Purchase Lessees, Principal Repaid	4,105,628
Single Unit Farmers' Advances Repaid	6,216,936
Interim Lessees' Advances Repaid	5,307,290
Lessees' Credit Accounts	637,162
Disposal of Unsuitable Land	1,307,943
Disposal of Stock, Plant, Materials, &c.	999,639
Commonwealth Share—Excess Costs	3,618,555
Losses on Advances	4,317
	22,197,470

From the repayments, the sum of £256,001 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.

To 30th June, 1963, Commonwealth contributions towards excess costs have amounted to £5,772,453, of which £3,618,555 has been credited to Loan Fund and £2,153,898 to Consolidated Revenue.

In respect of Soldier Settlement, the Commission's revenue account for 1962–63 shows :—

<i>Expenditure—</i>	£	£	£
Interest	1,783,904		
Interest Capitalized written Back	12,403		
		1,796,307	
<i>Less</i> Interest transferred and borne by the State		445,294	
		1,351,013	
Loan-raising Expenses		12,326	
Administrative Costs		139,678	
Shire Rates		183	
Depreciation (other than developmental assets)		1,557	
Rents and Interest remitted	2,508		
<i>Less</i> Commonwealth share	1,254		
		1,254	
Bad Debts		1,309	
		1,507,320	
 <i>Income—</i>			
Interest earned		647,530	
Rents, Fees and Sundries		11,075	
Contribution by Commonwealth—account Shire Rates		3,945	
		662,550	
Deficit for 1962–63			844,770

Accumulated profits from livestock trading activities, which ceased to be associated with soldier settlement from 1st July, 1961, amounted to £1,274,924. To 30th June, 1963, on this account, £1,253,807 had been paid into Consolidated Revenue. However, an amount of £21,117 is still to be received representing the unadjusted portion of the debt for livestock, valued at £83,518, transferred to Land Settlement No. 2 on 1st July, 1961.

The total accumulated deficit to 30th June, 1963, before taking into account profits from sheep and cattle farming, amounted to £9,189,838.

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, 1963, have been calculated by the Commission to be £7,841,298.

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, 1963, amounted to £6,854,332. The greater part of this expenditure was incurred in the development of farm lands, £5,510,957; the purchase of land, £561,997; and the taking over and purchase of buildings and working plant, £439,451.

The Revenue Account for the period ended 30th June, 1963, excluding livestock transactions shows:—

							£
<i>Expenditure—</i>							
Interest and Loan-raising Expenses	..	..	..	..	..	..	291,558
Less Interest Capitalized	..	..	..	..	..	..	215,929
							<hr/> 75,629
Administrative Costs	..	..	..	..	..	..	88,870
Depreciation (other than developmental assets)	..	..	..	..	..	..	827
							<hr/> 165,326
<i>Income—</i>							
Interest earned, agistment, &c.	..	..	..	..	..	..	70,813
Deficit at 30th June, 1963	..	..	..	..	..	..	<hr/>94,513

The accumulated deficit to 30th June, 1963, before taking into account profits from livestock trading, amounted to £443,335. 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, 1963, exclusive of interest concessions, have been calculated by the Commission to be £312,415.

By resolution of the Commission, with effect from 1st July, 1961, livestock trading activities were transferred from "Soldier Settlement" to "Land Settlement". During the year trading in livestock showed a profit of £27,983, increasing accumulated profit from this activity to £57,408 at 30th June, 1963.

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, 1963, was £609,832. 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, 1962	..	553,257	Claims paid	.. ..	15,186
Premiums received	.. ..	84,744	Administration expenses	.. ..	12,983
			Balance at 30th June, 1963	.. ..	609,832
		<hr/>			<hr/>
		638,001			638,001
		<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, 1962	..	4,055	Claims Paid	.. ..	152
Premiums received	.. ..	5,277	Administration expenses	.. ..	725
			Balance at 30th June, 1963	.. ..	8,455*
		<hr/>			<hr/>
		9,332			9,332
		<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 :—

Local Government—	1961-62.	1962-63.
	£	£
Salaries and Allowances	67,595	71,964
Overtime and Penalty Rates	1,499	1,536
Travelling (including Motor Vehicles)	4,565	6,754
Fees and Expenses—Boards and Committees	6,149	6,083
Other Administrative Expenses	7,669	8,691
Town and Country Planning Board—		
Salaries and Allowances	29,832	32,295
Other Administrative Expenses	3,120	3,956
	<u>120,429</u>	<u>131,279</u>

Collections for the year amounted to £1,640.

From loan funds, payments to municipalities and other public bodies amounting to £575,128 were made during 1962-63 for the purposes shown hereunder :—

	£
Drainage Works	157,394
Small Drains	124,401
Swimming Pools and Accessories	79,189
Traffic Signals	21,501
Sale-yards, Markets, &c.	20,653
Public Halls and Amenities	50,448
Beach Cleaning	29,546
Other Capital Works	36,996
Repairs to Williamstown Ferry	55,000
	<u>575,128</u>

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 licensing of engine drivers and boiler attendants.

The net cost to Consolidated Revenue for the year under review was £376,907, which compares with £353,792 in 1961-62.

Details of departmental receipts for the two years are:—

	1961-62.	1962-63.
	£	£
Gold Buyers' Licences	171	156
Mining Leases, Rents, &c.	38,366	42,502
Costs <i>re</i> Mining Leases	9	
Assays	465	305
Sundries	406	250
Magazine Licences	155	153
Boring and Crushing Fees	24,814	10,881
Sale of Government Property	6,275	2,758
Factory Fees—Boiler Attendants, &c.	426	403
Fees—		
Boiler Inspections	38,236	17,257
Fusion Welders	1,214	478
	<u>110,537</u>	<u>75,143</u>

Payments from revenue in those years comprised:—

	£	£
<i>Administration—</i>		
Salaries	240,788	219,219
Overtime and Penalty Rates	1,299	650
Travelling and Subsistence	7,901	6,299
Motor Vehicles—Purchase and Running Expenses	13,959	11,700
Other Administrative Expenses	26,587	24,647
	<u>290,534</u>	<u>262,515</u>
<i>Miscellaneous—</i>		
Maintenance, &c., State Batteries	2,407	1,998
Boring for Water, Coal, and other Minerals, &c.	130,977	131,000
Geological Survey	4,998	5,500
Laboratory Expenses	2,958	2,995
Covering Abandoned Shafts	6,747	6,749
Surveys for Mineral Deposits	20,708	17,468
Advances for Gold Mining	5,000	23,825
Total Expenditure	<u>464,329</u>	<u>452,050</u>

Falls in revenue due to the transfer of the Boiler Inspection Branch to the Department of Labour and Industry on 25th November, 1962, and a decrease in the total of the recoups of drilling operational costs were the major factors in the increase of £23,115 in the net cost. Receipts from this latter source are included in the above summary under "Boring and Crushing Fees". Fluctuations as between the annual receipts under this head occur as a result of difficulties experienced in collecting outstanding amounts. In this connexion, it should be noted that, according to departmental records, a sum of roundly £26,000 was outstanding at the 30th June, 1963. However, of this sum, approximately £22,000 was due from Government Departments and Waterworks Trusts.

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 :—

	1961-62.	1962-63.
	£	£
Public Works Administration—		
Salaries	1,236,836	1,271,539
Overtime and Penalty Rates	56,954	58,898
Travelling and Subsistence	89,138	86,630
Other Administrative Expenses	164,491	151,598
Total Administration	1,547,419	1,568,665
Works and Buildings—Maintenance, Repairs, &c.	1,152,782	799,488
Rents and Allowances	250,100	309,746
Other Services	298,898	327,538
	3,249,199	3,005,437
Ports and Harbors Administration—		
Salaries	153,754	151,138
Overtime and Penalty Rates	35,152	37,390
Travelling and Subsistence	14,450	17,243
Other Administrative Expenses	3,425	3,505
Total Administration	206,781	209,276
Wharves and Jetties—Maintenance, Repairs, &c.	42,855	42,961
Contribution to Portland Harbor Trust	302,000	249,400
Lighterage of explosives—expenses, &c.,	39,836	44
Other Services	40,002	40,748
	631,474	542,429
Total Public Works Department	3,880,673	3,547,866

The rise of £59,646 in the item “Rents and Allowances” was due mainly to the provision on a rental basis of new office accommodation for the Public Trustee and the Department of Social Welfare.

The very small expenditure of £44 on “Lighterage and Explosives—Expenses, &c.” in 1962-63 was the result of the discontinuance, as from 26th May, 1962, of the operations at the Truganina Explosives Reserve.

As also indicated in the summary, expenditure on “Works and Buildings—Maintenance, Repairs, &c.” fell from £1,152,782 to £799,488, a decrease of £353,294. For similar purposes, an amount of £350,569 was expended from “Special Works Trust Account—Commonwealth Grant.” Reference to this and other expenditure by the Public Works Department from this Account is made later in this section of the report.

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 11·45 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 £1,424,747. The comparable figure for 1961-62 was £1,362,941 when the charge for design, supervision and administration was 11·076 per centum.

Expenditure from Loan Fund amounted to £15,269,845, from Treasurer's Advance pending loan £2,494, and from Trust and Special Funds £1,307,788. 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	804,147
Foreshore protection, wharves, and jetties	112,517
Dredging, blasting, and navigational aid	180,726
Vessels for dredging	89,646
Plant was acquired from loan funds for departmental purposes during the year at a cost of	34,265

The sum of £1,307,788 provided, as indicated earlier herein, from Trust and Special Funds, included expenditure of £426,753 from "Special Works Trust Account—Commonwealth Grant". In respect of this expenditure, the nature of the works, &c., and the amounts involved are summarized below:—

<i>Nature of Works, &c.</i>	£	£
Works and Buildings—Maintenance, repairs, &c.	313,796	
Indirect expenses in respect of such works	36,773	
		350,569
Other works, inclusive of indirect expenses—		
Government House	5,669	
New Treasury Buildings—Painting, repairs, &c.	28,508	
Yarra Boulevard	25,148	
Foreshore Protection Works	16,859	
		76,184
		426,753

The painting, repair, &c., of the New Treasury Buildings in respect of which, as shown in the above summary, an amount of £28,508 was expended in 1962–63, has up to and inclusive of the close of that year involved the State in a total expenditure of £46,730. This sum is in excess of the original estimate for these works by £20,728.

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, 1963, 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, 1962—held in Treasury	199,228
Add—Issues pending recoup 1st July, 1962	39,840
	239,068
Less—Sundry creditors 1st July, 1962	30,308
Amount available for purchase of stores as at 1st July, 1962	208,760
Add—Recoups on account of stores issues, &c., 1962–63	303,227
Amount available for purchase of stores, 1962–63	511,987
Less—Payments on account of stores, &c., purchased in 1962–63	324,169
Cash balance as at 30th June, 1963—held in Treasury	187,818
Add—Issues pending recoup as at 30th June, 1963	26,721
	214,539
Less—Sundry creditors as at 30th June, 1963	27,018
Amount available after adjustments for the purchase of stores	187,521

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	187,521
Book value of stores	162,626
Debit in departmental books on account of loss on disposal of consumable stores ..	22,089
	<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.

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 £359,134, of which £326,980 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 1962-63, £200,219 was expended, making a total of £2,574,336 so applied since Commonwealth aid was first available from this source, viz., 1st July, 1947. The locations at which funds were expended during 1962-63 and other relevant particulars are—

	£
Altona	122
Andrew Bay	288
Apollo Bay	15,345
Bairnsdale	2,781
Barwon Heads	458
Brighton	800
Cowes	5
French Island	2,602
Flinders	2,200
Gippsland Lakes	36,576
Hampton	848
Inverloch	2,726
Johnsonville	24
Mann's Beach	167
Mentone	152
Metung	130
Mornington	713
Mordialloc	7,477
Newhaven	226
Paynesville	689
Phillip Island	65
Port Albert	184
Port Fairy	22,535
Portland	3,600
Port Phillip Bay	1,016
Portsea	521
Port Welshpool	2,204
Queenscliff	36,905
Rhyll	1,025
Rosebud	963
Rye	820
San Remo	1,004
Stony Point	1,925
St. Kilda	5,030
St. Leonards	3,416
Western Port Bay	266
Warrnambool	2,424
Various Minor Works	5,129
	<hr/>
	163,361
Administrative Costs	36,858
	<hr/>
	200,219
	<hr/>

RAILWAY ACCOUNTS.

The *Railways (Funds) Act* 1961 relieved the Railways Commissioners of the liability for interest, sinking fund payments and exchange on moneys borrowed for the purposes of the *Railways Act* 1958; created in the Treasury Trust Fund an account called the Railway Equalization Account; and, in connexion with that Account, stipulated that, in any year in which railway income exceeded railway operating expenses, an amount equivalent to the excess was to be paid into the Account from Consolidated Revenue and that, in any year in which the opposite was the case, railway income was to be supplemented from any moneys standing to the credit of the Account.

In the year under review, railway income fell short of railway operating expenses by £209,584 and this deficit was, in accordance with the statutory provisions cited above, met from the Railway Equalization Account.

REVENUE ACCOUNT.

Railway operations for the year as recorded in the Treasurer's Accounts are set out in Statement No. 6 of this report and for the purpose of ready reference are summarized hereunder:—

	£	£
Working expenses, &c.	41,035,131	
Renewals and Replacements Fund	200,000	
Pensions and Superannuation contributions	2,328,654	
	—	43,563,785
This was provided by—		
Railway Income		43,096,958
General Revenue—		
For losses on Kerang-Koondrook line	14,243	
For credit for country freight charge concessions	143,000	
For concessions to pensioners	100,000	
	—	257,243
Transfer from Railway Equalization Account		209,584
		—
		43,563,785

According to the accounts in the Railway books, there was a deficit of £74,092. 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:—

	£	£
Deficit, as shown in Treasury books		209,584
Revenue outstanding (net) at—		
30th June, 1963	1,739,236	
30th June, 1962	1,603,744	
	—	135,492
Deficit, as shown in Railway books		74,092

This deficit was determined after certain provisions had been made for liabilities under interstate settlements. Since the closing of the accounts, it has been established that these provisions are in excess of the actual liabilities to the extent of, roundly, £250,000.

Collections on account of railway income, which are brought to account in the Treasury under Part II.—Railways, amounted to £43,354,201—an improvement of £664,201 on the estimate and an increase of £371,011 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:—

	1960-61.	1961-62.	1962-63.
	£	£	£
Passengers	12,133,167	12,479,530	12,519,527
Parcels, horses, carriages, &c.	1,156,386	1,139,230	1,169,452
Mails	246,910	264,856	277,358
Miscellaneous	40,723	38,434	40,287
Goods and live stock, &c.	26,581,855	25,733,328	26,538,937
Rents and general miscellaneous	809,490	870,072	872,403
Dining car and refreshment rooms services	1,517,027	1,528,118	1,501,498
Advertising	105,925	99,986	105,060
Bookstalls	395,472	403,582	414,104
Road motor services	39,865	37,384	36,824
	43,026,820	42,594,520	43,475,450

Treasury recoups—£10,626 in 1960-61, £14,566 in 1961-62, and £14,243 in 1962-63 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 £43,563,785. This sum was in excess of the estimate by £662,868 and higher than the comparable expenditure for the previous year by £584,254.

In September, 1961, 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. Nine such payments were made in 1962-63 and these, together with the cost of certain spare parts, amounted to £354,249. 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:—

	1960-61.	1961-62.	1962-63.
	£	£	£
Pensioners' Fares Concessions	100,000	100,000	100,000
Freight Subsidies	143,000	143,000	143,000
Recoups, Kerang-Koondrook Railway	10,626	14,566	14,243
Charge on General Revenue	253,626	257,566	257,243

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 £191,659.

Depreciation and Accrued Leave.—As stated in previous reports, the Railway accounts do not disclose the full financial results. For example depreciation and accrued leave have not been fully provided for in the revenue accounts. Depreciation was assessed at £2,988,723 for the year, but the amount charged in the accounts was £299,575, i.e., part of the sum credited to the Renewals and Replacements Fund, leaving £2,689,148 unprovided for in the charge against revenue. The accumulated sum which has not been provided from revenue is £21,714,721. However, £2,053,139 has been received from sales of materials, &c., and the shortage in the fund has been more than overcome by loan allocations, £59,465,829, for replacement (rehabilitation) works. Accrued leave was reduced by 16,452 days in 1962-63, and the estimated liability decreased from £1,692,144 as at 30th June, 1962, to £1,663,518 as at 30th June, 1963. 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 1962-63 transactions through the fund is as under:—

	£
Special Appropriation—Act No. 6355	200,000
Depreciation on rail motors and road motors, &c.	99,575
Sundry sales and abolitions, &c.	138,101
	437,676
Less renewals and replacements during the year	437,676
Balance at 30th June, 1963	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:—

	1958-59.	1959-60.	1960-61.	1961-62.	1962-63.
	£	£	£	£	£
Additions and Improvements ..	1,742,779	1,897,756	2,610,010	4,188,783	3,060,799
Rolling-stock, Equipment, &c. ..	329,456	388,622	206,795	219,695	184,251
Construction of new lines	178,375	138,861	172,895	250,974	211,513
Replacement (Rehabilitation) Works ..	4,981,723	5,389,166	4,573,910	3,004,922	4,352,658
Restoration of Roads—City of St. Kilda	199,900	..	..	..	..
	7,432,233	7,814,405	7,563,610	7,664,374	7,809,221

BALANCE-SHEET.

An abridged statement of the balances in the Railway accounts as at 30th June, 1962 and 1963 is as under:—

	1962.	1963.
	£	£
Rolling-stock, Plant, &c., at cost less depreciation provided ..	165,657,755	174,142,979
Stores and Materials	4,249,600	3,844,222
Partly-manufactured Articles	193,031	213,478
Refreshment Services, Stock and Equipment less provision for losses	250,311	256,464
Discounts and Expenses on Loans	2,317,365	2,410,517
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	1,460,768	1,800,489
Railways Stores Suspense Account	470,848	1,031,364
Railways Repayment Account	11,288	2,860
Railway Equalization Account	924,005	714,422
Advances to Agent-General	84,865	64,477
Trust Securities	1,876,983	1,795,758
Cash at stations and in transit	198,561	330,330
Cash Advances	326,847	150,135
Revenue Debtors	1,672,132	1,681,145
Sundry Debtors	706,464	673,341
Appropriation to Railway Equalization Account	924,005	714,422
Accumulated loss	66,022,176	66,096,268
	247,972,004	256,547,671
Loan Liability	131,975,566	138,437,180
Funds for—		
Uniform Railway Gauge Works	14,428,809	15,700,079
Level Crossings Fund—Act No. 6229	1,609,010	1,840,346
Other Special Purposes	5,951,565	5,951,565
Special Works—Commonwealth Grant	400,000	586,000
National Debt Sinking Fund Reserve	17,653,152	19,081,975
Uniform Railway Gauge Sinking Fund Reserve	56,465	99,921
Railway Accident and Fire Insurance Reserve	100,000	100,000
Railway Equalization Reserve	924,005	714,422
Advances from the Public Account	1,753,265	442,104
Sundry Creditors	2,681,971	3,245,536
Trust Securities	1,888,271	1,798,618
Consolidated Revenue, &c.	68,549,925	68,549,925
	247,972,004	256,547,671

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, 1963, there was a credit balance of £1,800,489. Details are :—

Credits—	£
Salaries and Wages accrued	623,644
Taxation Deductions, &c.	451,051
Sundry Creditors for various services	341,592
Revenue refunds and rebates due	660,519
Amounts received in advance for works	246,530
	<hr/>
	2,323,336
Debits—	£
Expenditure on works for other bodies, &c.	512,770
Sundry Debtors for sales and services	20,893
	<hr/>
	533,663
	<hr/>
	1,789,673
<i>Add</i> —Amount transferred from Income	10,816
	<hr/>
	1,800,489
	<hr/>

The item, “Expenditure on works for other bodies”, includes an amount of £52,749 on account of the rectification of the Spencer-street Station Building. The cost of this work is being temporarily borne by Railway Charges in Suspense Account pending settlement of insurance claims.

Railways 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, 1963, was represented by the following items :—

	£
Stock on hand	3,844,222
<i>Less</i> Creditors for stores purchased	450,284
	<hr/>
Railways equity in the stock	3,393,938
Stores sold and proceeds not collected	67,751
Advances to the Agent-General, London	6,947
	<hr/>
	3,468,636
Balance held at Treasury	1,031,364
	<hr/>
	4,500,000
	<hr/>

Stock on Hand.—£3,844,222.—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 the value of 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.—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:—

	1962-63				£	£
Credit Balance 1st July, 1962	22,142
Losses or reduction of values of stores	75,921	..
Costing adjustments—						
Losses	13,830	..
Profits	35,166
Sales	19,854
Other credits	12,472
Debit balance 30th June, 1963, written off to Working Expenses	117
					<hr/>	<hr/>
					89,751	89,751
					<hr/>	<hr/>

Discount and Expenses on Loans.—The amount, £2,410,517, at which these capitalized costs of loan flotations appear among the debit balances, is higher than the previous year by £93,152. 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 £550,147 to meet the following expenditure in 1962-63. The expenditure in 1960-61 and 1961-62 is also shown:—

	1960-61.	1961-62.	1962-63.
	£	£	£
Damages recovered by non-employees at law	6,942	7,437	27,339
Damages paid to non-employees without legal action	3,483	11,923	7,425
Compensation for injuries to employees	363,454	348,560	400,649
Compensation for goods lost or damaged	87,485	98,463	94,170
Compensation for losses by fires caused by railway operations	567	..	370
Losses by fire to railway property	21,332	37,825	20,194
	<hr/>	<hr/>	<hr/>
	483,263	504,208	550,147
	<hr/>	<hr/>	<hr/>

Debtors.—The amounts outstanding at 30th June, 1961, 1962, and 1963 are shown:—

	1961.	1962.	1963.
	£	£	£
Revenue services rendered	1,991,079	1,672,132	1,681,145
Works	343,332	487,519	512,770
Sales of general stores	184,527	111,575	67,751
Sundry sales and services	32,870	19,898	31,780
Sales of land	121,970	87,472	61,040
	<hr/>	<hr/>	<hr/>
	2,673,778	2,378,596	2,354,486
	<hr/>	<hr/>	<hr/>

Creditors.—A classification under broad headings at 30th June, 1961, 1962, and 1963 is shown:—

	1961.	1962.	1963.
	£	£	£
Stores purchased for railways	598,714	415,340	450,284
Stores purchased for refreshment services	33,297	37,627	28,589
Salaries and wages accrued	600,237	671,278	623,644
Income Tax Commissioner, &c.	327,296	272,113	451,051
Accounts for various services	357,553	328,429	512,679
Revenue rebates and refunds	315,801	457,377	660,519
Payments in advance for works	179,186	232,859	246,530
Payments in advance for revenue services, &c.	270,522	266,949	272,240
	<u>2,682,606</u>	<u>2,681,972</u>	<u>3,245,536</u>

Advances from the Public Account, £442,104.

Periodically, arbitrary adjustments between Railway Income and Treasury Advances are effected by withholding collections from the Treasury. During the year, by way of part adjustment, the sum of £270,100 was paid into the Advance Account from Railway Income.

As at the close of the year, the amount still to be adjusted was £10,816. However this amount was offset by a like sum in the Treasury to the credit of Railway Charges Suspense Account.

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 £231,336 in the year 1962–63, was £1,840,346 to 30th June, 1963. 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 of the standardization work was £10,726,000, but the actual expenditure charged to the project up to and inclusive of the 30th June, 1963, was £16,115,572. During the course of construction, representations were made by the State of Victoria for revision of the cost of the project in the terms of the Agreement with a view to the inclusion of works which were not envisaged at the time of the initial planning thereof. In May, 1963, the Commonwealth agreed to increase its contribution to £15·8 million for the Victorian section of the project as a firm and final figure of settlement.

As provided in the Agreement, the State of Victoria is bearing 3/20ths of that proportion of the cost of the standardization work which was financed by the Commonwealth. This liability with interest thereon is being liquidated by annual instalments over a period of 50 years.

In accordance with the Agreement, the State kept full accounts and records in connexion with the work. These accounts and records were subject to my audit and my report thereon to the Commonwealth Auditor-General for the year ended 30th June, 1963, was forwarded to him on the 6th September, 1963.

The total expenditure on the project up to the 30th June, 1963, namely £16,115,572, is included in the Railways balance-sheet in the figure, £174,142,979—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 Act 1962* a sum of £50,000. Under this and prior authorities sums amounting to £60,417 had been expended up to and inclusive of 30th June, 1963.

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 £107,269 on account of these closed lines is included in the figures for capital expenditure shown in the balance-sheet as at 30th June, 1963, 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 £186,000 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.

	1959-60.	1960-61.	1961-62.	1962-63.
	£	£	£	£
Expenditure—				
Working Expenses	547,699	545,287	480,806	424,992
Contributions to Pension Funds	26,341	43,900	46,977	46,996
Contribution to Accident Fund	216	198	144	159
Pay-roll Tax	11,343	11,461	9,831	8,950
Depreciation	24,975	25,111	25,162	25,306
	610,574	625,957	562,920	506,403
Revenue	372,845	347,405	259,124	238,355
Loss for year	237,729	278,552	303,796	268,048

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

	1959-60.	1960-61.	1961-62.	1962-63.
	£	£	£	£
Sale of Coal	297,438	269,075	179,856	154,720
Electric Light and Power	62,895	64,583	65,062	71,263
Miscellaneous	12,512	13,747	14,206	12,372
	372,845	347,405	259,124	238,355

Operations in 1962-63 resulted in a loss of £268,048, compared with the loss of £303,796 in 1961-62.

The deficit on a cash basis in the Treasury was £259,738. The difference of £8,310 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 1959 to 1963 are shown hereunder :—

	1959-60.	1960-61.	1961-62.	1962-63.
	tons	tons	tons	tons
Railway Department	25,836	20,736	14,335	15,345
Electricity Commission	32,405	29,523	19,319	14,917
Employees	3,157	2,762	2,353	2,099
Public	5,088	5,191	4,707	2,830
Used in Mine's Works	13,783	14,097	13,155	14,293
	<u>80,269</u>	<u>72,309</u>	<u>53,869</u>	<u>49,484</u>

BALANCE-SHEET.

A statement of the State Coal Mine balances at 30th June, 1962, and 1963, is as under :—

	1962.	1963.
	£	£
Works, Machinery, and Plant at cost, less depreciation	313,805	295,417
Stores and Materials	25,934	22,163
Coal Stocks	3,617	2,972
Discounts and Expenses on Loans	641	641
Funds at Treasury—		
Depreciation Fund	66,448	84,462
Trust Fund—Charges in Suspense	6,455	4,687
Cash	8,961	2,225
Deposits on Contracts	1,875	2,184
Sundry Debtors	28,025	27,759
Accumulated Loss	4,325,880	4,593,928
	<u>4,781,641</u>	<u>5,036,438</u>
National Recovery Loan (non-interest bearing)	24,500	24,500
Advances from Public Account	24,678	21,142
Sundry Creditors	22,918	19,207
Depreciation Fund Interest Reserve	101,829	104,135
Sinking Fund	354,000	354,000
Advances from Consolidated Revenue	4,253,716	4,513,454
	<u>4,781,641</u>	<u>5,036,438</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 1958-63, 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.		
	£	£	£	£	£
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	2,955,613	488,259
1961-62	1,178,191	2,304,217	3,970,667	3,362,773	607,894
1962-63	927,345	2,458,099	3,993,338	3,454,940	538,398

* 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 effect of the decrease in the sum collectable on account of current water sales was reduced substantially by an increase in the amount due from current rates and charges. In irrigation districts, the higher amounts collectable from rates and charges were due largely to allocations of additional water-rights and revaluations and increases in drainage rates in some districts. In the urban, Coliban and waterworks districts, the increased amounts collectable from general rates were mainly the result of service extensions.

Of the total collectable sum, 86.5 per cent. was received during the year, as compared with 84.8 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 92.9 per cent. in 1962-63 as compared with 94.6 per cent. in 1961-62.

A dissection of the collectable sum and the amount thereof owing at the 30th June, 1963, is given in the statement hereunder:—

	Total Collectable Sum.	Arrears 30.6.63.
	£	£
Irrigation Districts	2,165,732	330,207
Waterworks Districts	507,194	28,926
Urban Districts	850,993	125,378
Flood Protection Districts	44,968	2,336
Drainage Districts	28,628	5,108
Coliban Districts	267,407	41,120
Sundries	128,416	5,323 (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:—

	1960-61 £	1961-62. £	1962-63. £
From Oncost—			
On loan expenditure at 10 per cent. on £3,917,431 in 1960-61 ; at 8½ per cent. on £3,967,387 in 1961-62 ; and at 10 per cent. on £3,966,670 in 1962-63	391,743	330,616	396,667
At various rates (1 to 6 per cent.) on loan expenditure of £458,470 in 1960-61 ; £659,196 in 1961-62 ; and £811,516 in 1962-63	10,893	26,630	37,771
On other funds	16,010	18,233	15,279
From Repayments on account of works temporarily financed from Consolidated Revenue	119,568	117,754	120,926
From Salary recoups—River Murray Commission and other funds ..	384,386	425,992	432,365
	<u>922,600</u>	<u>919,225</u>	<u>1,003,008</u>

As shown in the summary, the rate in respect of loan expenditure generally was reduced to 8½ per centum in the year 1961-62 and restored to 10 per centum in 1962-63 thereby increasing 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 1958-63 is given in the table hereunder:—

—	Receipts, Including Recoups.	Expenditure.			Cash Deficit.	Loan Expenditure.
		General.	Debt Charges.	Total.		
	£	£	£	£	£	£
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	4,251,415	6,053,361	10,304,776	5,439,143	7,955,704
1962-63	5,009,175	4,293,185	6,500,947	10,794,132	5,784,957	8,053,886

NOTE.—The summary does not include expenditure amounting to £30,000 in 1961-62 and £12,555 in 1962-63 financed from Special Works Trust Account—Commonwealth Grant.

As the summary indicates, there was an increase in expenditure of £489,356 including an increase of £447,586 in debt charges offset by an increase in revenue of £143,542. Thus the net increase in the cash deficit as between 1961-62 and 1962-63 was £345,814.

EXPENDITURE.

Works.—Included in the loan expenditure for the year, shown in the foregoing statement, is a sum of £5,212,626 in respect of works undertaken by the Commission. The principal items were :—

<i>Nature of Works.</i>		£
Irrigation Districts ..	Remodelling of main channels and drainage works ..	1,766,214
Eppalock Reservoir Project	Construction of new reservoir and pipeline to Bendigo	1,302,212
Mornington Peninsula System	Commencement of construction of Devilbend Creek Reservoir. Enlargement and extension of pipelines and reticulation	880,662
Other Storages and Head-works	Minor works and land compensation to enable the commencement of construction of Bellfield Reservoir ..	288,553
Surveys, Investigations and Designs	Works of an exploratory and experimental nature ..	250,375
Coliban System	Improvements, enlargements and extensions of water reticulation and distribution and the continuation of concrete lining of channels	180,422
Otway System	The enlargement and duplication of main pipelines and the extension of supply works and reticulation	179,742
Waterworks Districts—Generally	Construction of channels, structures, urban storages and other works	127,801
Flood Protection and Drainage Districts	Continuation of work on the Yallock Outfall and extensive works in the Carrum Drainage District	113,024
Works Generally	Erection of workshops, storehouses and administrative and other buildings	60,336
Bellarine Peninsula System..	Principally works for the completion of the Indented Heads—St. Leonards scheme and on the enlargement and extension of the existing reticulation systems for Ocean Grove, Barwon Heads and Anglesea	48,769

The item “ Works Generally ” includes expenditure amounting to £11,590 on account of the Commission’s new central administrative office building at Armadale. This sum included final payments due under contracts for the erection of the building. The total expenditure on the project was £758,320.

Salt Affected Land.—Expenditure amounting to £3,813 was incurred pursuant to the provisions of Act No. 6604 on drainage and other works for the purpose of the reclamation of salt affected land acquired in 1961–62.

“ *Special Works Trust Account—Commonwealth Grant* ”.—From this Account, amounts were made available for the purposes and at the locations shown hereunder :—

	£
(a) Lake Corangamite—for expenditure incurred in pumping water out of the lake to reduce the water level	9,685
(b) Coliban—for maintenance wages	2,870

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 1962-63 was £180,335, 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. As at 30th June, 1963, the balance of the Fund was £10,356, and the balance of the Account, £1,140,365 including £5,246 in respect of Eildon Sewerage.

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 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 the Auditor-General is 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 1961-62, the Treasurer has been furnished with the necessary audit certificate in relation to those districts which had cash surpluses in that year amounting in all to £59,001 12s. 5d. This sum was, in accordance with the Act, transferred in 1962-63 from Consolidated Revenue to the credit of the Account.

Further, in connexion with the Account, it should be observed that, in each irrigation charge, there is a provision for renewals and a provision for accruing maintenance. Therefore, in respect of any irrigation district in which there is a cash surplus equivalent to or in excess of the sum of these provisions, the setting aside of the surplus in the Account is tantamount to a provision for depreciation.

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 £44,045.

In 1962-63, under the authority of Water Supply Loan Application Acts Nos. 6820 and 6934, Victoria contributed £60,000 for the construction of works, bringing the State's total contribution for construction as at 30th June, 1963, to £5,481,195. Also, £87,900 was contributed for maintenance and administrative expenses during 1962-63.

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 £18,158.

In 1962-63, advances to various Trusts by the State amounted to £1,869,855. Repayments by Trusts on account of advances amounted to £88,789, and certain Trusts were relieved of liability to the extent of £496,401. 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 £1,284,665.

Under the authority of an item in the annual Appropriation Act, country town water supply authorities are, subject to certain conditions, subsidized where the effective water rate exceeds the equivalent of 3s. 6d. in the £1 of net annual valuation. Under this authority, ten Waterworks Trusts were so assisted in 1962-63 and the total amount involved was £3,839.

River Improvement Trusts.—To 30th June, 1963, 21 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 1962–63 was £1,992.

Advances by the State in 1962–63 totalled £233,015. Repayments in respect of advances amounted to £1,473 and the Trusts were relieved of liability to the extent of £94,335 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 £137,207.

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

Payments into the Fund totalled £69,516 and expenditure amounted to £38,076. The balance at the close of the year was £142,038.

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 £102,007 and expenditure, including refunds of contributions, amounted to £89,898. The balance in the Account at the close of the year was £63,998.

Stores.—According to Commission records, the book values of plant, tools and general stores at the 30th June, 1963, were:—

	Plant.	Tools and Stores.
	£	£
At Construction Works	68,196	158,898
Stores Suspense Accounts (Depots)	120,546	575,830
At Central Plant Workshops (Suspense Accounts)	7,529	113,290
At Central Plant Workshops pending transfer or disposal	31,323	38,190

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 a 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, 1963, 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, 1963, the balance at credit of the Water Supply Stores Suspense Account is shown as £709,692. This amount is represented in the Commission's books by:—

	£	£
Balance available for purchases of stores, &c.		394,262
<i>Plus Credit Balances of Plant Operating Accounts—</i>		
"Hire Plant" Accounts	232,534	
Interest and Redemption and administrative Account	87,158	
	<hr/>	
	319,692	
<i>Less Plant Operating Reserve Account</i>	4,262	315,430
	<hr/>	
Balance—Water Supply Stores Suspense Account		<hr/> 709,692 <hr/>

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, 1962, the aggregate of the balances at credit of the several "Hire Plant" Accounts was £258,924, as compared with £232,534 as at the close of the year under review. This reduction was largely the result of substantial debits to the several accounts for repairs to the crawler tractor fleet.

The debit balance of £4,262 on the Plant Operating Reserve is the net result of the transactions recorded in the Reserve during the year, which are summarized hereunder:—

	£	£
Debit balance at 1st July, 1962		31,047
<i>Plus</i> —Part cost of operating Central Plant Workshops	9,657	
Motor Vehicles Insurance paid on Hire Plant	5,188	
Net loss on sale of spare parts	11,913	
Miscellaneous expenditure	154	
	<hr/>	26,912
		<hr/>
		57,959
<i>Less</i> —Insurance provision in Hire Rate	14,807	
Net excess of provisions on Repairs and Maintenance in "Hire Plant" sold	30,050	
Transfer of balance of Reserve for Insurance, Freight, Exchange and Duty—Central Plant Workshops	6,663	
Miscellaneous adjustments	2,177	
	<hr/>	53,697
		<hr/>
Debit balance at 30th June, 1963		4,262
		<hr/>

During the year, spare parts, the book value of which was £12,916, were sold for £1,003. The resultant net loss of £11,913 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.

During the year, the credit balance in the Interest Redemption and Administrative Account was reduced from £110,349 to £87,158. 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 provision in plant-hire charges for interest and redemption.

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

	£	£
Credit balance at 1st July, 1962		110,349
<i>Plus</i> —Interest and Redemption—		
Raised in Hire Charge	38,578	
One-half of Holding Charge	20,171	
	<hr/>	58,749
		<hr/>
		169,098
<i>Less</i> —Payment of Interest and Redemption on Capital Liability ..	51,369	
Transfer to Depreciation Fund of Interest and Redemption raised in Hire Charges 1961-62 in respect of motor vehicles	15,651	
Recoup of Salaries of Mechanical and Plant Section ..	14,920	
	<hr/>	81,940
		<hr/>
Credit balance at 30th June, 1963		87,158
		<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 £37,895. The capital liability at 30th June, 1963, in respect of this plant and machinery was £1,553,141.

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, 1963, the balance in the Fund for the replacement of hire plant and machinery was £1,237,310.

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 £279,035.

Advances by the State in 1962–63 totalled £291,302. Repayments in respect of advances amounted to £5,469 and the Authorities were relieved of liability to the extent of £182,386 which the Governor in Council directed to be borne by the State so that the net increase in the Authorities' indebtedness for State loans was £103,447.

In addition, the State advanced £460,078 to the Latrobe Valley Water and Sewerage Board for works for the supply of water, the treatment or disposal of waste, and the extension of the Latrobe Valley outfall pipeline beyond Rosedale.

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 1962–63 totalled £7,753 of which £7,683 or 99·1 per cent. was paid during the year. Costs chargeable to the district amounted to £6,742 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 1962-63, £165,039,584 and credits, £167,508,671.

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 or Fund.	Purpose for which Established.	1962-63.		Balance 30th June, 1963.
		Debits.	Credits.	
		£	£	£
Commonwealth Cattle and Beef Research Grants Account	To account for Commonwealth and other moneys allocated to the Victorian Department of Agriculture by the Australian Cattle and Beef Research Committee under the authority of the <i>Commonwealth Cattle and Beef Research Act</i> 1960 for approved research projects	10,590	16,681	6,091
Dookie Agricultural College Stock Trading Account	Established pursuant to the provisions of the <i>Agricultural Colleges (Financial) Act</i> 1962 and, in accordance with that Act, credited with the proceeds of the sale of certain sheep and cattle and related by-products, and charged with the purchase of livestock for educational purposes	4,943	9,803	4,860
Longerenong Agricultural College Stock Trading Account	Established pursuant to the provisions of the <i>Agricultural Colleges (Financial) Act</i> 1962 and, in accordance with that Act, credited with the proceeds of the sale of certain sheep and cattle and related by-products, and charged with the purchase of livestock for educational purposes	1,669	3,173	1,504
Forests Roads Account..	To account for moneys received by the Forests Commission under any agreement pursuant to Section 6 (3) of the <i>Forests (Further Amendment) Act</i> 1962 and for all disbursements therefrom for the maintenance by the Commission in terms of the said Act of its roads or tracks. For further reference see page 43	..	4,284	4,284
Parliamentary Superannuation Fund	Established under the <i>Parliamentary Contributory Superannuation Act</i> 1962 to provide retirement and other benefits for members of Parliament holding office on and after 6th January, 1963. For further reference see page 83	..	126,048	126,048
Public Works Minor Works Account	Established by an appropriation of £10,000, under Division No. 61-3-10, in the Estimates of Expenditure for 1962-63, to enable certain Departments to pay accounts for urgent minor repairs and maintenance work without reference to the Public Works Department; the account to be recouped, periodically, from the Public Works Department vote for maintenance expenditure in connexion with works and buildings, viz., Division No. 61-3-1	76,727	86,727	10,000

Account or Fund.	Purpose for which Established.	1962-63.		Balance 30th June, 1963.
		Debits.	Credits.	
		£	£	£
Special Works Trust Account — Common- wealth Grant 1963	To record the transactions in relation to an amount provided from Consolidated Revenue under Division No. 50-3-97 for expenditure on approved works; the amount so provided being equivalent to the sum received from the Commonwealth as an additional assistance grant, in the latter part of 1962-63. (<i>Note.</i> —Further references to this Account are made in various sections of this report)	1,259,307	1,285,000	25,693
Tobacco Advisory Services Grant Trust Account	To account for moneys provided by the Commonwealth Government to finance additional extension work among tobacco growers	1,787	7,650	5,863

For convenience in explaining the funds and accounts within the Trust Fund, the relevant figures for 1962-63 are set out under broad classifications in the table below:—

	Balance Forward. General Account. <i>Investments.</i>	1962-63.		Balance 30th June, 1963. General Account. <i>Investments.</i>
		Debits.	Credits.	
	£	£	£	£
Compensation and Insurance	13,591,689	12,461,647	13,720,383	14,850,425
	1,546,641	7,257	..	1,539,384
Superannuation and Pension	466,961	1,345,423	1,317,330	438,868
	12,295,643	16,603	396,450	12,675,490
Depreciation	1,128,039	1,005,527	1,138,009	1,260,521
	937,650	5,000	..	932,650
Deposit	357,681	150,189	174,530	382,022
	220,426	10,250	..	210,176
Railways	2,883,940	52,751,896	53,434,121	3,566,165
Commonwealth	2,123,642	36,960,858	36,953,561	2,116,345
Commonwealth-State	332,250	141,687	145,984	336,547
Other—Regulated by Statute	6,993,914	49,703,671	51,064,149	8,354,392
	349,410	440	6,430	355,400
Other—Not Regulated by Statute	2,074,955	10,479,079	9,102,141	698,017
	47,624	5	10	47,629
	29,953,071	164,999,977	167,050,208	32,003,302
	15,397,394	39,555	402,890	15,760,729
Securities Lodged with Treasurer	7,491,617	52	55,573	7,547,138
	29,953,071	164,999,977	167,050,208	32,003,302
	22,889,011	39,607	458,463	23,307,867

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	52
Soldier Settlement Insurance Fund	56
Railway Accident and Fire Insurance Fund	67
State Accident Insurance Fund	94
State Motor Car Insurance Fund	96

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 1958–59 to 1962–63:—

Year.	Expenditure.	Balance at 30th June.		
		Investments.	Cash.	Total.
	£	£	£	£
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
1962–63.. .. .	49,159	35,000	341,800	376,800

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.—Under the provisions of the *Estate Agents Act* 1958, this fund is available 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 £882 recouped from certain estate agents, totalled £48,116 and claims paid amounted to £7,533. The surplus of £40,583 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.
	£	£	£
1940-58	662,089	584,007	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
1962-63	85,569	81,085	85,603

Superannuation and Pension.

The major funds included in this group are the Police Superannuation Fund, Police Pensions Fund, Parliamentary Contributory Retirement Fund, Parliamentary Superannuation 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 1962-63. Penalties and damages awarded amounted to £45,011, the sum of £348 was received from fines imposed upon members of the Force, and interest on the sum invested amounted to £16,275.

Pension payments from the Fund totalled £21,326 which was £3,012 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, 1963, was £480,698, 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 £65,000 in 1962-63, compared to a contribution of £869,650 in 1961-62.

The Government Statist in forwarding his certificate with respect to the amount required to be paid into the Fund in 1962-63 stated:—

“After allowing for the surplus carried forward from the 1961 valuation and the accumulation of further surplus from interest earned in excess of 4 per cent., the amount required in 1962-63 amounts to only £65,000.”

Transactions on the Fund for the current year, together with those for 1961-62 are:—

—	1961-62.	1962-63.
<i>Receipts.</i>	£	£
Deductions from pay	229,257	238,469
Deductions repaid by ex-officers on reinstatement	1,160	343
Contributions from Consolidated Revenue	869,650	65,000
Interest on investments	498,892	559,075
Balance in hand—1st July,	10,976,228	11,879,400
	12,575,187	12,742,287
<i>Disbursements.</i>		
Pensions	661,450	697,528
Gratuities	14,877	24,847
Deductions refunded	19,460	18,729
	695,787	741,104
Balance 30th June,	11,879,400	12,001,183
Represented by—		
Investments	*11,570,745	*11,957,445
Cash	308,655	43,738
	11,879,400	12,001,183

* Face Value of Investments 1961-62, £11,575,150; 1962-63, £11,961,850

At 30th June, 1963, investments comprised Commonwealth Government Inscribed Stock, £8,954,950, and securities of the Melbourne and Metropolitan Board of Works, £900,000, Melbourne and Metropolitan Tramways Board, £155,000, State Electricity Commission, £1,501,900, Gas and Fuel Corporation, £405,000, and the Melbourne Harbor Trust, £45,000.

Parliamentary Contributory Retirement Fund.—The Constitution Act Amendment Act 1958, as amended by the Parliamentary Contributory Superannuation Act 1962 (No. 6968), provides for payment from this Fund of certain benefits to persons who, before the coming into operation of the latter Act, ceased 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.

As deductions from members' salaries are, after 6th January, 1963, by virtue of the provisions of the Parliamentary Contributory Superannuation Act, to be credited to the Parliamentary Superannuation Fund established under that Act, the costs of all benefits payable from the Parliamentary Contributory Retirement Fund will, in the future, have to be met from Consolidated Revenue.

The following comparative statement shows the transactions on the Parliamentary Contributory Retirement Fund for the past two years including the transfer, by direction of Act No. 6968, of the total of the deductions made in accordance with *The Constitution Act Amendment Act 1958* from the salaries of persons who were members of Parliament at 6th January, 1963.

	1961-62.	1962-63.
	£	£
<i>Receipts—</i>		
Members' Contributions	14,568	8,358
Contributions from Consolidated Revenue	35,459	156,577
	50,027	164,935
<i>Expenditure—</i>		
Payment of Pensions	50,027	51,537
Transfer to Parliamentary Superannuation Fund under Act No. 6968 .. .. .	..	113,398
	50,027	164,935

Parliamentary Superannuation Fund.—This Fund was established pursuant to the provisions of the *Parliamentary Contributory Superannuation Act 1962*, which authorizes the payment from the Fund of certain benefits to persons who, after 6th January, 1963, cease to be members of the Parliament of Victoria and to the widows or personal representatives of deceased members or of ex-members who were receiving benefits at the time of death. Members contribute to the Fund by way of deduction from salary, and, should it become necessary, Consolidated Revenue may be applied, to the extent required, to enable payments in terms of the Act to be made from the Fund.

The balance to the credit of the Fund at 30th June, 1963, was £126,048 and consisted of:—

	£
Members' contributions made by way of deduction from salary ..	12,000
Repayment of a retiring allowance previously paid from the Parliamentary Contributory Retirement Fund to a person who subsequently again became and was still a member at 6th January, 1963, and who is required to effect repayment before becoming eligible for the full benefits payable from the Parliamentary Superannuation Fund	650
The transfer from the Parliamentary Contributory Retirement Fund of an amount equivalent to the total of all deductions made prior to 6th January, 1963, from the salaries of persons who were members at that date	113,398
	<u>126,048</u>

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 1962-63 :—

	£	£	£
Balance 1st July, 1962—			
Investments	410,492		
General Account	4,352		
	—————	414,844	
Receipts—			
Deductions from Earnings		28,542	
Interest on Investments		20,197	
		—————	463,583
Payments—			
Pensions			19,471
Balance 30th June, 1963—			
Investments		403,639	
General Account		40,473	
		—————	444,112
			—————
			463,583

Investments comprise inscribed stock of the Commonwealth Government, £147,050, the State Electricity Commission, £127,250, 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", £82,039.

Depreciation.

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

Fund.	Page Reference No.
Forests Plant and Machinery Fund	44
Printing Machinery Depreciation Fund	46
Public Works Plant and Machinery Fund	61
Railway Renewals and Replacements Fund	64
Water Supply Plant and Machinery Depreciation Fund	77
Water Supply Works Depreciation Fund	73
Irrigation Districts Maintenance Equalization and Renewals Account	74

The Maffra Sugar Factory Depreciation Fund, with a balance of £4,650, consisting entirely of investments, is also included in this group. The purpose for which this fund was established ceased to exist many years ago and moneys at credit of the fund are being progressively transferred to Consolidated Revenue in accordance with a direction of the Treasurer.

During the year the sum of £5,241, representing interest on investments £241 and investment matured £5,000, was so transferred.

Deposit.

Items under this heading comprise securities lodged by Insurance and Trustee Companies, £70,000; Contractors and Timber Cutters deposits, £163,538; Municipalities Loan Repayment Account, £326,349, which includes investments totalling £139,855; Municipalities Sinking Fund, £321; Sundry Investments—Interest Account, £31,507, and State Coal Mines Deposit Account, £484.

Railways.

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

	Page Reference No.
Railway Charges in Suspense Account	66
Railway Stores Suspense Account	66
Railway Equalization Account	63

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.

Certain accounts record the receipt of moneys from the Commonwealth for specific purposes and their transmission to particular public bodies for disbursement. The major accounts in this category and the references to the public bodies concerned are listed below :—

Account.	Public Body.	Page Reference Number, &c.
University (Commonwealth Subsidy) Account ..	University of Melbourne	38
Monash University (Commonwealth Subsidy) Account	Monash University ..	39
Commonwealth-State Housing Trust Account ..	Housing Commission ..	See Supplementary Report

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	98
" " " No. 2 Account	61
Uniform Railway Gauge Trust Fund	68
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, the Commonwealth Government makes advances from time to time for the reimbursement to public hospitals and the Mental Hygiene Authority of the cost of pharmaceutical benefits supplied. 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 1961-62 and 1962-63 :—

	1961-62.	1962-63.
	£	£
Balance 1st July	69,617	3,091
Received from Commonwealth during the year	1,350,000	1,680,000
	1,419,617	1,683,091
Reimbursements to Public Hospitals, &c.	1,416,526	1,682,901
Balance 30th June	3,091	190

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.

The above-mentioned agreement expired on 21st August, 1962, but payments were continued, by arrangement with the Commonwealth, until 31st December, 1962. From 1st January, 1963, however, administration of the scheme was taken over by the Commonwealth Department of Health and payments made direct to public hospitals by that Department.

Operations on the Fund were:—

	£	£
Balance at 1st July, 1962	114,163	
Received from Commonwealth during the year	911,178	
	<hr/>	1,025,341
Expenditure during the year—		
Hospital Benefits allowed		1,025,086
		<hr/>
Leaving a balance of		255
		<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 since the inception of the Agreement to the 30th June, 1963, amounted to £21,213,100. 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* 1958, pending receipt 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, 1963, these repayments totalled £6,316,471.

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, 1963, was £24,520,958. All of this sum was made available to co-operative housing societies—£19,470,604 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 £63,412. The accumulated interest surplus to 30th June, 1963, was £207,914.

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

<i>Source of Funds—</i>	£
Balance 1st July, 1962	40,933
Advanced by Commonwealth Government	3,855,000
Interest and Repayments of Principal	1,795,130
	<hr/>
Total Funds Available	5,691,063
	<hr/>
<i>Disbursement of Funds—</i>	
Advances to Registry from Home Builders’ Account	4,700,000
Interest and Redemption—Commonwealth Advances	876,673
Interest on Advances from Public Account	2,884
	<hr/>
Total Disbursements	5,579,557
Balance 30th June, 1963	111,506
	<hr/>
	5,691,063
	<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 £8,709,792. 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	98
Dried Fruits Fund	113
Forestry Fund	41
Forest Stores Suspense Account	43
Licensing Fund	17
Milk Board Fund	113
Municipalities Assistance Fund	91
Public Works Stores Suspense Account	60
Tourist Fund	103
Transport Regulation Fund	105
Water Supply Stores Suspense Account	75
Workers Compensation Board Fund	107

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 1962–63 in relation to this Fund were :—

	£	£
Balance, 1st July, 1962 .. .. .	..	13,154
Receipts—		
Loan Fund Contribution	60,000	
Revenue Contribution	60,000	
Revenue from Operations (Canteen and Produce Sales, &c.)	3,735	
Child Endowment, &c.	1,732	
Donations	365	
Maintenance Payments	1,243	
Rent	1,784	
Miscellaneous Revenue	1,220	
	<hr/>	130,079
		<hr/>
		143,233
		<hr/>
Payments—		
Assistance to Aborigines	61,030	
Administration, &c. Costs	22,937	
	<hr/>	83,967
Balance, 30th June, 1963 .. .. .	..	59,266
		<hr/>
		143,233
		<hr/>

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 :—

	1961-62.	1962-63.
	£	£
<i>Source of Funds—</i>		
Balance from previous year	81	229
Special Appropriation—Act No. 6240	25,000	25,000
Departmental Vote—Education	38,000	47,696
Class Fees, proceeds of Community Arts Service, &c.	49,317	46,418
Adult Education Centre, Russell-street—Proceeds of Productions, &c.	167	11,118
	112,565	130,461
<i>Disbursement of Funds—</i>		
Salaries (Administration)	40,298	40,624
Classes, Discussion Groups, Community Arts Service, &c.	63,806	*69,900
Adult Education Centre, Russell-street—		
Maintenance and Operating Costs	7,348	17,913
Equipment and Improvements	884	383
	112,336	128,820
<i>Leaving a Balance of</i>	229	1,641
	112,565	130,461

* Includes £641 advanced to Public Works Department and unspent at 30th June.

It will be noted that :—

- (i) the increase in the "Maintenance and Operating Costs" of the Adult Education Centre, Russell-street, was in effect recovered substantially as the result of a marked increase in the "Proceeds of Productions, &c." at that Centre; and
- (ii) the receipts from Class Fees and Community Arts Service, &c., were insufficient to meet the increased costs of providing these services.

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 £15,561,178 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	1,963,025
Special Appropriation, Act No. 6390—Tattersall Receipts	3,052,060
Grants—Division 65	8,500,000
	<hr/>
Balance forward from 1961–62	14,315,085
	<hr/>
	1,246,093
	<hr/>
Expenditure for the year	15,561,178
	<hr/>
Leaving a balance of	14,999,993
	<hr/>
	561,185
	<hr/>

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

	1960–61.	1961–62.	1962–63.
	£	£	£
Maintenance—			
Hospitals	11,254,492	12,204,506	12,881,950
Benevolent Homes & Hospitals for the Aged	796,777	916,256	937,503
Children's Homes	128,165	129,064	167,035
Foundling Homes and Refuges	71,139	69,813	96,792
Philanthropic Associations	50,909	55,537	60,071
Ladies' Benevolent Societies	5,300	5,680	5,500
Medical Dispensaries	17,598	18,316	24,381
Ambulance Services	193,133	213,985	237,058
Hostels for the Aged	40,881	37,838	43,738
Other Institutions	119,347	125,682	142,245
Public Risk Insurance	14,935	12,208	26,235
	<hr/>	<hr/>	<hr/>
	12,692,676	13,788,885	14,622,508
	<hr/>	<hr/>	<hr/>
Other—			
Transfer of Patients to Country Hospitals	4	6	6
Costs Associated with Totalizator Receipts	6,538	9,402	10,183
Training of Officers	8,602	9,795	13,905
Recruitment and Training of Nurses	4,755	16,981	30,351
Preliminary Schools for Nurses	111,063	130,077	117,353
Post-graduate Training of Nurses	13,167	11,308	13,786
Administration Costs	158,646	180,151	190,733
Hospital Magazine	1,106	3,384	1,168
	<hr/>	<hr/>	<hr/>
	12,996,557	14,149,989	14,999,993
	<hr/>	<hr/>	<hr/>

The item "Public Risk Insurance" shows the cost of the "blanket" public risk insurance cover taken out by the Commission from 1st April, 1960, to replace individual policies formerly held by all public hospitals, benevolent homes, hospitals for the aged, ambulance services and the Dental Hospital.

Expenditure under this heading has increased substantially as a result of the payment in respect of public hospitals, benevolent homes and homes for the aged, of higher premiums based on claims experience. In this regard, premium rates in relation to such institutions were increased, as at 1st January, 1963, from 13s. 6d. to £1 6s. per bed per annum, and this latter rate operated until 31st March, 1963, the date of expiry of the then existing policy. The current policy, with effect from 1st April, 1963, was taken out at a premium rate of £1 7s. per bed per annum.

The increase in "Administration Costs" was due mainly to the payment of £11,654 for the services of a firm of Management Consultants retained by the Commission to assist in the revision of accounting procedures in public hospitals.

The increase in the bursary rate from £50 to £78 a year as from March, 1962, and the award of additional bursaries in 1962-63, were the main reasons for the increase in the item "Recruitment and Training of Nurses".

In addition to the assistance provided to hospitals and other institutions shown in the table, payments have been made to many of these bodies under the Public Works Loan Application Acts for or towards 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 £5,561,169. Further, an amount of £562,000 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 163 and 169 to 171.

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.

Transactions on the Fund for the year were:—

Receipts—				£	£
Additional Registration Fees	..	..	..	..	353,763
Expenditure—					
By Railway Department	..	..	..	..	231,336
„ Country Roads Board	..	..	..	..	33,219
				—————	264,555
Balance forward	..	..	..	..	89,208

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, 1963, the accumulated balance of the Account was £1,004,083.

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 1962-63, duty paid amounted to £3,202,060. The sum of £150,000 was allocated 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, private mental homes, and other institutions within the meaning of the Mental Health Act. The Fund is also available for expenditure in connexion with the administration of this Act.

The following statement sets out the transactions for the year and the gross amounts from the inception of the Fund until the 30th June, 1963 :—

<i>Receipts.</i>	<i>During the Year.</i>	<i>Total.</i>
	£	£
Balance 1st July, 1962	289,774	..
Special Appropriations - <i>Tattersall Consultations Act 1958</i>	150,000	3,194,673
	439,774	3,194,673
<i>Payments.</i>	<i>During the Year.</i>	<i>Total.</i>
	£	£
Capital Works .. .. .	..	311,000
Maintenance Works .. .. .	..	150,000
General Expenditure (State Institutions)	201,534	1,595,778
Maintenance Grants (Other Institutions)	123,982	665,554
Mental Health Research (University of Melbourne)	7,000	53,000
Capital Grants (Other Institutions) .. .. .	..	312,083
	332,516	3,087,415
Balance 30th June, 1963	107,258	107,258

Municipalities Assistance Fund.—Reference has already been made on page 57 under the Local Government section of this report to subsidies to municipalities and other public bodies, from loan moneys, amounting to £575,128. 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 :—

	1961-62.		1962-63.	
	£	£	£	£
Balance 1st July .. .. .	..	226,707	..	312,469
Contribution—Public Works Loan Application Acts Nos. 6701 and 6931 .. .. .	..	200,000	..	200,000
Receipts from fees—Motor Car Drivers' Licences	259,890	..	318,653	..
Less Costs of Collection	38,497	..	59,378	..
		221,393		259,275
		648,100		771,744
Expenditure—				
Amount contributed to Country Fire Authority		220,512		244,608
Amount contributed to Casual Fire Fighters Compensation Fund		1,642		Nil
Subsidies to various Municipalities for works		113,477		226,167
		335,631		470,775
		312,469		300,969
Balance, 30th June		648,100		771,744

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, 1963, is given hereunder:—

	£	£
Balance, 1st July, 1962 .. .. .	..	7,604
Receipts—		
From Consolidated Revenue	20,246	
Loan Fund	58,000	
Repayment of Advances, other contributions, &c.	3,843	
	<hr/>	82,089
		<hr/>
		89,693
Payments—		
Subsidies to Committees of Management of National Parks and Advances for Works to the Public Works Department and Forests Commission	66,236	
Administration Costs	20,086	
	<hr/>	86,322
		<hr/>
Balance 30th June, 1963 .. .. .	..	3,371

In addition to the balance of £3,371 at credit of the Fund, unexpended advances to the Public Works Department and the Forests Commission for works amounted to £21,367 as at 30th June, 1963.

Other—Not Regulated by Statute.

Decentralization Fund.—The major portion of the year's expenditure of £74,489 consisted of freight subsidies and grants towards meeting the costs of road and drainage works.

Credits to the Fund have been:—

	£
To 30th June, 1962 .. .. .	.. 1,660,498
During the year—	
From Consolidated Revenue .. .. .	.. 40,000
	<hr/>
	1,700,498

The Fund has been utilized as follows:—

	£
Expenditure to 30th June, 1962 .. .. .	.. 1,506,149
During the year—	
Power and Light Subsidies .. .. .	.. 5,369
Freight Subsidies .. .. .	.. 29,694
Loans and Grants to Decentralized Industries .. .. .	.. 5,500
Removal of Plant, Machinery, Furniture, &c. .. .. .	.. 602
Bus Subsidies .. .. .	.. 872
Road and Drainage Works .. .. .	.. 26,041
Miscellaneous .. .. .	.. 6,411
	<hr/>
	1,580,638
The balance at 30th June, 1963, was .. .. .	.. 119,860
	<hr/>
	1,700,498

Details of amounts advanced from the Decentralization Fund and still to be repaid at 30th June, 1963, are given hereunder :—

	Advanced to 30th June, 1963.	Repaid. &c.	Outstanding 30th June, 1963.	Arrears.	
				Interest.	Principal.
	£	£	£	£	£
Brickworks	20,549	3,786	16,763	4,003	9,064
Textile Industries	56,081	26,205	29,876	1,977	2,400
Foundries and Other Industries	102,682	31,425	71,257	4,682	13,572
	*179,312	61,416	117,896	10,662	25,036

* Includes interest capitalized, £1,832.

Concessions in regard to the repayment of loans and the payment of interest have been allowed in the majority of these cases.

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.

There have been no transactions on this Account since 1960–61 and it would appear that the purposes for which the Account was established have been fulfilled. Accordingly, the amount, £10,194, remaining at the credit of the Account should now be returned to Loan Fund Credit Account.

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

Account.	Page Reference No.
Bennison Roothing Trust Account	42
Country Roads Board Special Works Account	101
Municipalities Forests Roads Improvement Fund	102
State Rivers and Water Supply Commission Agency Trust Account	75
Tourist Bureaux Trust Account	104

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*, £7,424,989, and to a Geelong Harbor Trust debenture securing the outstanding balance of an advance, £117,355.

STATE ACCIDENT INSURANCE OFFICE.

Operation of this Office for the year showed a net profit of £866,737. The audit of the accounts has been completed to 30th June, 1963.

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

—	1958-59.	1959-60.	1960-61.	1961-62.	1962-63.
	£	£	£	£	£
Income—					
Premiums earned	2,593,580	2,778,195	2,762,531	2,759,501	3,004,557
Interest	74,526	119,336	146,141	174,107	194,337
Rents (Net)	1,785	2,573	1,663	2,528	18,977
Surplus—Sale of property ..	140	..	..	432	..
	2,670,031	2,900,104	2,910,335	2,936,568	3,217,871
Expenditure—					
Claims	2,004,526	2,250,675	2,128,675	2,217,412	2,154,699
Management	121,340	201,860	147,019	144,936	150,931
Agents' Commission and Expenses	45,578	40,311	40,661	47,444	45,048
Loss—Sale of property .. ..	..	53	179	..	456
	2,171,444	2,492,899	2,316,534	2,409,792	2,351,134
Net profit	498,587	407,205	593,801	526,776	866,737
	%	%	%	%	%
Loss ratio to earned premium income ..	77·3	81	77·1	80·4	71·7

The Appropriation Account, also for the past five years, is shown hereunder :—

—	1958-59.	1959-60.	1960-61.	1961-62.	1962-63.
	£	£	£	£	£
Net Profit	498,587	407,205	593,801	526,776	866,737
Adjustment of provision for Unearned Premiums, previous years .. ..	..	..	..	..	422,579
	498,587	407,205	593,801	526,776	1,289,316
Appropriations—					
Debit balance at 1st July, 1958, brought forward	4,745	..	..	..	..
Bonus Equalization Reserve ..	301,342	247,205	253,801	226,776	289,316
General Reserve	187,500	160,000	340,000	300,000	1,000,000
Building Improvements Reserve ..	5,000	..	..	..	..
	498,587	407,205	593,801	526,776	1,289,316

Commencing with the financial year under review, a more realistic method of calculation of premiums earned was adopted. For example, risks accepted by the Insurance Commissioner in respect of policies issued to the Government and to semi-governmental bodies are operative for periods corresponding to financial years and, accordingly, the relevant premiums are, as from and inclusive of 1962-63, being treated as fully earned irrespective of time of receipt. Other premiums earned are calculated on the "time" basis using the monthly method of apportionment.

The item, "Unearned Premiums", as at the close of the previous year brought forward to the year under review as "Earned Premiums" was recalculated in conformity with the methods outlined above. The difference, £422,579, between the original and the recalculated figures was transferred, as at the 1st July, 1962, to Appropriation Account as an adjustment of excess provision brought forward. The unearned proportion of premiums received in the year 1961-62 has been brought into the Profit and Loss Account for 1962-63 on the new basis.

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

30.6.62.		30.6.63.
£		£ £
	<i>Assets.</i>	
	<i>Current—</i>	
6,156,237	Cash	6,725,699*
278,374	Sundry Debtors, <i>Less</i> Bad Debts Provision	229,434
		<hr/> 6,955,133
	<i>Fixed—</i>	
61,942	Furniture, Office Machines, and Cars— <i>Less</i> Depreciation	59,577
	Investments—	
	£	
116,514	Property (at cost)—Offices	116,514
..	Vacant Land	207,002
		<hr/> 323,516
1,393,137	Inscribed Stock	1,385,880
		<hr/> 1,709,396
<hr/> 8,006,204		<hr/> 8,724,106
	<i>Liabilities and Funds.</i>	
	<i>Current—</i>	
1,040,213	Unearned Premiums	585,675
4,405,320	Claims Outstanding	4,479,206
12,773	Sundry Creditors	7,334
		<hr/> 5,072,215
	<i>Deferred—</i>	
715,002	Bonus Equalization Reserve	817,553
17,896	Building Depreciation and Maintenance Provision	19,338
		<hr/> 836,891
	<i>Funds—</i>	
1,800,000	General Reserve	2,800,000
15,000	Building Improvement Reserve	15,000
		<hr/> 2,815,000
<hr/> 8,006,204		<hr/> 8,724,106

* This sum is held in the State Accident Insurance Fund at the Treasury.

The above statement incorporates the proposed appropriation to Reserves of the balance at credit of the Appropriation Account as at 30th June, 1963.

Outstanding claims have been assessed by the "case" method, all claims being individually examined by officers acting under direction of experienced senior officers in the claims' section. 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 estimates have been carefully prepared and that the figure of £4,479,206 is a fair estimate of the liability for outstanding claims at 30th June, 1963.

STATE MOTOR CAR INSURANCE OFFICE.

Over the period from its inception in 1941 to 30th June, 1963, this office has incurred an accumulated loss of £588,276.

Operations for the year resulted in a profit of £20,470 compared with a loss of £35,644 in 1961-62. The statements herein are submitted subject to completion of the audit for the year ended 30th June, 1963.

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

	1961-62.			1962-63.		
	Third-Party.	Comprehensive.	Total.	Third-Party.	Comprehensive.	Total.
	£	£	£	£	£	£
Net Premiums earned	1,821,098	935,817	2,756,915	2,075,733	1,011,720	3,087,453
Stamp Duty recouped .. ..	..	48,323	48,323	..	50,097	50,097
	1,821,098	984,140	2,805,238	2,075,733	1,061,817	3,137,550
Claims	2,110,486	581,802	2,692,288	2,262,711	672,381	2,935,092
Management	114,186	82,108	196,294	141,988	92,278	234,266
Licence Fee .. ..	..	41,260	41,260	..	49,356	49,356
	2,224,672	705,170	2,929,842	2,404,699	814,015	3,218,714
Operating Profit .. ..	..	278,970	..	..	247,802	..
Operating Loss	403,574	..	124,604	328,966	..	81,164
Interest—Fund at Treasury .. ..	..	..	88,980	..	..	101,709
Sale of Property .. ..	..	..	—20	..	..	—75
	..	..	88,960	..	..	101,634
Net Profit .. ..	..	..	..	..	..	20,470
Net Loss .. ..	..	..	35,644	..	..	..
Loss Ratio to earned premium income	% 115·9	% 62·2	..	% 109·0	% 66·5	..

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 that these figures were correct.

Earned premiums were calculated on the "time" basis, using the monthly method of apportionment. Premium rates for "Third Party" were increased as from 1st February, 1963. The full benefit of the increase will be felt in the next financial year. Premium rates for comprehensive insurance have remained unchanged since 1st January, 1961, but there have been some variations in policy conditions in certain cases.

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

30.6.62	<i>Assets.</i>								30.6.63
£									£
	<i>Current—</i>								
5,177,967	Cash .. .. .	..	..	..	..	..	..	..	5,655,331*
315,977	Sundry Debtors—Premiums Due, etc.	..	..	..	..	..	..	..	345,088
<u>5,493,944</u>									<u>6,000,419</u>
	<i>Fixed—</i>								
9,427	Furniture and Office Machines less Depreciation	..	..	..	..	..	..	..	23,538
	<i>Profit and Loss Account—</i>								
608,746	Accumulated Loss .. .. .	..	..	..	..	..	..	..	588,276
<u>6,112,117</u>									<u>6,612,233</u>
	<i>Liabilities and Provisions.</i>								
	<i>Current—</i>								
1,402,108	Unearned Premiums .. .. .	..	..	..	..	..	..	..	1,549,231
4,690,855	Claims Outstanding .. .. .	..	..	..	..	..	..	..	5,048,431
19,154	Sundry Creditors .. .. .	..	..	..	..	..	..	..	14,571
<u>6,112,117</u>									<u>6,612,233</u>

* The major part of this sum is held in the State Motor Car Insurance Fund at the Treasury.

With respect to the liability for outstanding claims, the estimated value of these claims was calculated on the basis of a combination of "case" and "average" estimating and, to the sum so determined, there were added amounts to provide for the anticipated upward trend in costs and to meet other unknown and unforeseen liabilities.

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 £11,467,704 and the cost of collection was shown to be £784,786. These figures compare respectively with the 1961–62 totals of £10,709,831 and £843,446.
- (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 £2,459,557.

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 1962–63, allocated from Loan Fund a sum of £301,000 for the purpose of permanent works as defined in the said Act. This sum was expended as follows :—

	£
On State highways and main roads	268,000
As the fourth 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
	301,000

Commonwealth Aid Roads Act.—Victoria's share of the sum of £46,000,000 allocated in 1962–63 to the States pursuant to the provisions of Section 4 of the *Commonwealth Aid Roads Act 1959* was £9,265,585.

An amount of £1,611,407 was also received in the year, being the sum determined as Victoria's quota of the additional assistance aggregating £8,000,000 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 1962–63, 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, £1,611,407, 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 1962-63, was £10,876,992. Of this sum, £10,675,566 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 £4,350,797, was to be reserved for works upon roads in rural areas or for the purchase of road-making plant for use in those areas.

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.

1961-62.		1962-63.
£		£ £
	<i>Country Roads Board Fund—</i>	
2,900	Balance from previous year	4,922
9,867,050	Net Taxes (including £915 fines other than Motor Car Acts) ..	10,683,834
777,667	Municipal Contributions	881,920
2,262,417	Road Charges—Commercial Goods Vehicles Act	2,459,557
75,039	General Receipts	82,841
		<hr/> 14,113,074
<hr/> 12,985,073		
	<i>Loan Moneys—</i>	
650,000	Act No. 6229—State Highways and Main Roads	301,000
33,000	Tourist Roads .. .. .	..
<hr/> 683,000		
	<i>Commonwealth Aid Roads Act—</i>	
5,845,983	For Roadworks Generally	6,324,769
4,031,713	For Rural Roads	4,350,797
		<hr/> 10,675,566
<hr/> 9,877,696		
500,000	<i>Special Works Trust Account—Commonwealth Grant</i>	—
<hr/> 24,045,769		<hr/> 25,089,640

EXPENDITURE.

1961-62.		1962-63.
£		£
	Principal items of expenditure by the Board may be classified as follows:—	
21,076,048	Construction and Maintenance of Roads, &c.	19,433,370
849,689	Payment of Interest (including exchange)	886,227
44,255	Sinking Fund Contributions and Loan Conversion Expenses	44,945
33,582	Repayment to Loan Fund	34,129
191,554	Transfer to Tourist Fund	197,328
174,694	Plant Purchase (net)	915,985
1,671,025	General Expenditure, including Administration, Stores, and Materials, &c. ..	2,177,134
		<hr/> 23,689,118
<hr/> 24,040,847		
4,922	Unexpended Balance at 30th June	<hr/> 1,400,522

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.
			Roads Generally.	Rural Roads.	
	£	£	£	£	£
State Highways	6,605,005	2,127,260	4,264,500	..	213,245
Main Roads	6,707,215	5,255,494	1,363,966	..	87,755
By-pass Roads	431,433	431,433	..	..	..
Forest Roads	276,261	87,154	..	189,107	..
Tourists' Roads	509,985	509,985	..	..	..
Unclassified Roads ..	4,834,154	..	672,464	4,161,690	..
Murray River Bridges and Punts	69,317	69,317	..	..	..
	19,433,370	8,480,643	6,300,930	4,350,797	301,000

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 1962-63 these concessions amounted to £815,758. Details are—

(a) *Permanent Works.*

Of the proportion charged to municipalities for permanent works on main roads, £57,543, relief was granted to the extent of £22,107 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 £9,034, the whole was remitted. The total of these amounts did not exceed the statutory limit of £250,000.

(b) *Maintenance.*

Of the sum of £1,630,733, apportioned to municipalities, being one-third of the cost of maintenance of main roads in respect of the year 1961-62, the Governor in Council remitted £784,618 as excessive maintenance not due to local traffic. The net amount due was paid to the Board prior to 30th June, 1963.

TOURIST FUND.

For particulars of the operation of this Fund see page 103.

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 aforementioned requirements, the necessary certificate has been issued in respect of the transfer for 1962-63, which amounted to £197,328 as compared with £191,554 in 1961-62.

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 :—

1961-62.		1962-63.
£		£
74,507	Commonwealth Works—Aerodromes and other construction works	60,788
26,732	Department of Crown Lands and Survey—Roads	47,434
5,516	State Electricity Commission—Roads Hernes Oak Deviation	95
187,103	Rural Finance and Settlement Commission—Roads	63,093
8,915	Victorian Railways—Madden-road Level Crossing	1,734
40,296	Housing Commission—Roads	9,149
36,034	Latrobe Valley Water and Sewerage Board—Gould Deviation	6,281
48,415	Other Works	366
<u>427,518</u>		<u>188,940</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, 1963, an amount of £18,339 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 £301,000 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, 1962 ..	10,681,628	3,985,412	14,667,040
<i>Add</i> —Discount and Expenses	4,415	694	5,109
Expenditure—Act No. 6229	301,000	..	301,000
	10,987,043	3,986,106	14,973,149
<i>Less</i> —Repayments	34,129	..	34,129
	10,952,914	3,986,106	14,939,020
<i>Deduct</i> —Increase in equity in National Debt Sinking Fund	127,690	109,051	236,741
Net loan liability at 30th June, 1963 ..	10,825,224	3,877,055	14,702,279

COAL CANAL BRIDGE.

The Board has been authorized as from 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 Railways 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 30th June, 1963, expenditure by the Board amounted to £142,845, and by the Melbourne City Council to £51,565, a total of £194,410.

All expenditure on this project is financed from the State's Loan Fund under the authority of Loan Application Acts Nos. 6701, 6826 and 6931 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 £65,000 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 £23,501 during the year and when added to those made in previous years brought the total charge to the Fund to £100,595 up to and inclusive of the 30th June, 1963. The amount at credit to the Fund unexpended at that date was £14,405.

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; fees and fines under the *Motor Boating Act* 1961; and allocations from Loan Fund under the authority of certain Public Works Loan Application Acts.

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

1961-62.	Credits.	£	1962-63.	£
134,385	Balance forward .. .. .	..	..	166,735
191,554	Contribution from Country Roads Board Fund .. .. .	..	197,328	
	From Loan Fund—			
70,000	Under Public Works Loan Application Acts	120,000		
..	Charged to Treasurer's Advance pending Loan	13,500		
		—————	133,500	
15	Contributions by Municipalities—Share of cost of works, &c. .. .. .	..	230	
2,799	Interest on Loans to certain Bodies .. .. .	..	5,423	
3,043	Loan Repayments by certain Bodies .. .. .	..	5,476	
43,365	Motor Boat Registration Fees and Fines (Net)	55,194		
..	Less Costs and Expenses of Collection and Administration	15,091		
		—————	40,103	
215	Miscellaneous .. .. .	..	1,523	
	Tourist Bureaux operations—			
60,367	Commissions, &c., received	61,201		
	From Consolidated Revenue—Share of cost of operations—			
105,000	Premier's Vote	106,175		
95,000	Railway Working Expenses	95,000		
		—————	262,376	
			—————	645,959
705,743				812,694
				—————
	<i>Disbursements.</i>			
315	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 .. .. .	..	2	
158,399	Developmental and Maintenance works authorized under the Act .. .. .	..	181,027	
25,869	Publicity—net (excluding Tourist Bureaux advertising, &c.) .. .. .	..	39,030	
54,500	Loans to certain Bodies .. .. .	..	10,770	
..	Provision of motor boating facilities .. .. .	..	15,184	
	Costs and administrative expenses—			
24,716	Head Office	24,870		
*275,209	Tourist Bureaux	*295,058		
		—————	319,928	
539,008				565,941
166,735	Balance at the close of the year .. .. .	..	..	246,753
				—————
705,743				812,694
				—————

* Includes expenditure on renovations, &c.—in 1961-62, £16,973 at the Adelaide Bureau; in 1962-63, £1,404 at the Adelaide Bureau, £25,236 at the Sydney Bureau, and £7,828 at the Brisbane Bureau.

As indicated in the preceding statement, the costs incurred in the administration of the *Motor Boating Act* 1961 including the costs and expenses of collection of the fees under that Act are chargeable to the Tourist Fund. In terms of the Act, the net credit to the Fund on account of these fees together with any other receipts under the Act is to be applied by the Tourist Development Authority in the provision of facilities for motor boating in Victorian waters. In this connexion, it should be noted that, of the balance of £246,753 at credit of the Tourist Fund as at the 30th June, 1963, the sum of £68,284 is held for the purposes of the *Motor Boating Act* 1961.

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—Miscel- laneous.	Treasury Trust— Unclaimed Moneys.	Super- annuation Trust Fund.	Total Collections.
	£	£	£	£	£	£	£
Collections by—							
Head Office ..	..	47,991	118,621	..	411	27	167,050
Tourist Bureaux—							
Melbourne ..	768,963	508,833	..	112	..	..	1,277,908
Sydney ..	32,225	41,779	..	2	..	..	74,006
Adelaide ..	29,515	50,790	..	4	..	..	80,309
Brisbane ..	7,713	9,502	..	..	..	..	17,215
Ballarat ..	14,942	34,459	..	..	..	..	49,401
Bendigo ..	14,615	45,250	..	1	..	..	59,866
Geelong ..	19,833	68,593	..	..	..	..	88,426
Mildura ..	4,300	7,351	..	..	..	..	11,651
	892,106	814,548	118,621	119	411	27	1,825,832

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.

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, 1963, was £674,381.

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

1961-62.					1962-63.
£	<i>Receipts.</i>				£
539,806	Balance of Transport Regulation Fund at 1st July	..	..	..	560,704
296,694	Licences and Additional Fees on Licences	..	..	..	312,798
348,521	Permits	..	..	..	378,833
5,742	Motor Omnibus Registration Fees	..	..	..	5,760
59,014	Fines	..	..	..	58,259
11,642	Miscellaneous	..	..	..	15,841
					771,491
1,261,419					1,332,195
<i>Payments.</i>					
<i>Head Office—</i>					
				£	
277,960	Salaries and Overtime (including Pay-roll Tax)	..	..	283,066	
62,467	Other Expenses	..	..	51,951	
				335,017	
<i>Country Offices—</i>					
85,365	Salaries and Overtime (including Pay-roll Tax)	..	..	85,820	
15,024	Other Expenses	..	..	19,125	
				104,945	
<i>Inspection Staff—</i>					
128,168	Salaries and Overtime (including Pay-roll Tax)	..	..	124,249	
8,616	Police Services	..	..	15,996	
13,992	Other Expenses	..	..	13,287	
				153,532	
<i>Purchase and Maintenance of Motor Cars—</i>					
6,985	Purchase of Motor Cars	..	..	1,699	
16,935	Maintenance and Insurance	..	..	16,659	
				18,358	
				611,852	
<i>Works—</i>					
678	Offices—Head Office and Regional Residences	..	..	288	
3,947	Contributions towards erection of Comfort Stations and Bus Shelters	..	..	2,947	
132	New Head Office Building—Carlton	..	..	10,175	
50,000	Advance payment <i>re</i> Land—Carlton	..	..	..
				13,410	
30,446	Amounts distributed to Municipalities	..	..	..	32,552
700,715					657,814
560,704	Balance of Transport Regulation Fund at 30th June	..	..	..	674,381

Revenue for the year rose by £49,878, due mainly to an increase in receipts from licences and permit fees.

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 1962–63 was £2,459,557 as compared with £2,262,417 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 1962–63, less refunds, amounted to £54,944. The costs of collection were recouped to the extent of £8,154.

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 1961-62 and 1962-63 are as follow :—

		1961-62.		1962-63.
		£		£
<i>Income—</i>				
Contributions from Insurers and others	.. .. .	57,756	..	65,293
		<hr/>		<hr/>
<i>Expenditure—</i>				
Salaries	.. .. .	30,005	..	31,146
Rent	.. .. .	7,812	..	7,812
General	.. .. .	10,013	..	9,984
Claims on uninsured employers paid from the Fund (net)	..	9,141	..	8,822
		<hr/>		<hr/>
		56,971	..	57,764
		<hr/>		<hr/>
Excess of Income over Expenditure for the year	.. .. .	785	..	7,529
		<hr/>		<hr/>

The balance of the Fund at the Treasury at 30th June, 1963, was £10,265.

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 1961-62 and 1962-63 are summarized below:—

		1961-62.		1962-63.
		£		£
Receipts	.. .. .	1,671,870	..	1,616,893
Payments	.. .. .	1,207,493	..	1,348,973
		<hr/>		<hr/>
Excess of receipts over payments	.. .. .	464,377	..	267,920
Balance at beginning of year	.. .. .	4,210,419	..	4,674,796
		<hr/>		<hr/>
Balance at close of year	.. .. .	4,674,796	..	4,942,716
		<hr/>		<hr/>

Investments, &c., controlled by the Board at 30th June, 1963, are shown hereunder :—

Common Fund—	£
Cash State Savings Bank of Victoria	199,141
Commonwealth Securities (face value)	1,643,460
State Electricity Commission Debentures	1,850,000
Melbourne and Metropolitan Board of Works Debentures	1,050,000
Geelong Waterworks and Sewerage Trust Debentures	200,000
Temporary Advances	115
	<hr/>
	4,942,716
	<hr/>
Specific Investments—	
Commonwealth Securities	12,570
State Electricity Commission Debentures	2,400
Melbourne and Metropolitan Board of Works Debentures	3,500
Geelong Waterworks and Sewerage Trust Debentures	2,000
	<hr/>
	20,470
	<hr/>

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, 1963, 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	143,308
Olympic Park Committee of Management	140,000	87,500
Royal Agricultural Society of Victoria	430,000	346,325
Wonthaggi Cotton Mills Pty. Ltd.	30,000	30,000
A. V. Page Pty. Ltd., Wonthaggi	27,000	27,000
College of Pharmacy	35,000	35,000
Eclarte Pty. Ltd.	4,000	4,000

The guarantee in respect of Eclarte Pty. Ltd. was given to assist the Company in the development of a woollen fabric industry at Heathcote.

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, 1963.

	Guarantee.	Contingent Liability.
	£	£
Co-operative Housing Societies	77,740,500	73,140,486
Co-operative Societies	547,980	291,355
Home Finance Trust	7,150,000	6,100,292
Victorian Inland Meat Authority	50,000	31,915

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 provides a limit of £80,000,000 to the aggregate liability which may be incurred by the State under this heading. At 30th June, 1963, 658 guarantees were current in support of loans made or to be made.

The Principal Act as amended by the *Co-operative Housing Societies Act* 1962, No. 6909, empowers the Treasurer in certain cases to enter into agreements with societies to indemnify them against losses they may incur by making advances to members in excess of 80 per cent. of the value of their respective land holdings and dwelling-houses. At 30th June, there were 2,039 indemnities in force, the contingent liability in respect of which was £393,887.

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 £547,980 had been given in relation to the loans of 87 societies, and the contingent liability under the guarantees amounted to £291,355.

The activities of the societies registered under this Act and the Co-operative Housing Societies Act are subject to the supervision of the Registrar holding office under these two Acts. The accounts of the societies 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.

The *Home Finance Act* 1962 No. 6933 replaced, as from the 4th March, 1963, the then existing legislation in respect of home finance. It is provided in this Act that the Treasurer, with the approval of the Governor in Council, may execute a guarantee in favour of any institution which, on the security of a first mortgage of a dwelling-house, makes a loan in excess of certain specified maximum limits. A guarantee under this authority, however, is not to be executed where the amount of the loan exceeds 95 per cent. of the value of the dwelling-house. Also under this Act, but for the purpose of enabling the Trust to make a loan either on first or second mortgage, the Treasurer may, with the approval of the Governor in Council, execute a guarantee in favour of the Commissioners of the State Savings Bank of Victoria or any person or body depositing money with the Home Finance Trust or in favour of any bank lending money by way of overdraft to the Trust.

To 30th June, the Treasurer had executed 618 guarantees amounting to £410,556 in respect of loans beyond the specified maxima, and 53 guarantees totalling £7,150,000 in respect of amounts to be deposited with or lent by way of overdraft to the Trust. The contingent liability, at 30th June, under these 671 guarantees was £6,510,848.

The accounts of the Trust are subject to audit by this office, and are discussed in further detail in my Supplementary Report.

Authority for the guarantee in favour of the Victorian Inland Meat Authority is contained in Sections 19 and 20 of the *Victorian Inland Meat Authority Act* 1958.

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, 1963, 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.

	1961.	1962.	1963.
	£	£	£
Railways and State Coal Mine	1,993,783	1,634,902	1,759,306
Taxation—			
Income	811	1,655	1,110
Unemployment Relief	298	473	357
Land	909,856	1,622,032	1,396,335
Entertainments	14,517	8,932	
Probate Duty	441,342	391,301	744,525
Water Supply	488,259	607,894	538,398
Lands Department	51,116	55,257	39,118
Rural Finance and Settlement Commission—Settlement Branch	212,398	185,154	209,112
Forests Commission	*229,123	247,038	234,082
Government Printer (excluding amounts due from State Departments)	32,057	37,258	42,902
Other Departments	31,999	75,904	58,863
Trading Activities—			
Victoria Dock Cool Stores	66,813	116,591	105,967
Lighterage and Storage of Explosives	1,109	270	
Erica Sawmill	13,108	13,022	13,816
Miscellaneous	55,099	49,262	123,409
	4,541,688	5,046,945	5,267,300

* Includes Timber Seasoning Works, Newport.

The arrears of Probate Duty for 1963 do not include the amount of £1,197,443 which represents assessments issued during June, but not due and payable until after 30th June.

Collections during July, 1963, reduced the arrears of Land Tax shown in the preceding summary by approximately £434,000.

“Miscellaneous”, £123,409, represents cash in transit to the Treasury from various departmental branches throughout the State as at the close of the year 1962-63 and includes—from the Stamp Duties Office, £65,948; the Companies Registration Office, £12,042; the Marine Board, £6,072; and the City Court, £13,396.

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 relevant sections of my supplementary report.

Advances additional to those from loan or revenue moneys have been provided from the Decentralization Fund, £447,588; and from the Tourist Fund, £124,760. To 30th June, 1963, repayments on account of these advances amounted to £176,414 and £11,568 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.

				1960-61.	1961-62.	1962-63.
				£	£	£
Corporations and other Bodies	..	..	..	1,872,432	1,452,448	1,845,336
Settlers	..	..	..	2,571	929	1,273
Various	..	..	..	57,800	36,750	74,349
Total	..	..	..	1,932,803	1,490,127	1,920,958

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 £98,693. 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, 1963.			Overdue at 30th June, 1963.				
	Loan.	Revenue.	Total.	Redemption.			Interest.	Total.
				Loan.	Revenue.	Total.		
	£	£	£	£	£	£	£	£
Co-operative Companies	846	..	846	..	..	..	..	..
Municipalities	1,459,094	..	1,459,094	8,917	..	8,917	31,298	40,215
Corporations and other bodies	13,231,123	600,000	13,831,123	4,780	..	4,780	26,891	31,671
Unemployment Relief Advances	104,205	..	104,205	15,743	..	15,743	4	15,747
Advances to Settlers	13,721	..	13,721	7,141	..	7,141	1,120	8,261
Various	753,799	2,254	756,053	2,125	254	2,379	420	2,799
Total	15,562,788	602,254	16,165,042	38,706	254	38,960	59,733	98,693

Included in the total of £98,693 overdue, are amounts of £1,120 in respect of advances to settlers and £31,298 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 (net) from the Loan Fund to 30th June, 1963, totalled £4,313,059 of which roundly £1,500,000 is to be borne by the municipalities. Repayments to 30th June, amounted to £54,111.

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 £4,446,229 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 £2,719,670. Instalments of redemption and interest charges overdue at the same date totalled £54.

Sewerage Authorities.—Advances of £2,081,277 have been made from loan for capital works of country sewerage authorities, but £1,166,846 of this amount has been transferred to the Capital Expenditure borne by the State Account. Repayments amount to £147,383, and the balance of liability at 30th June was £767,048.

Mildura Trusts.—Loan advances to the First Mildura Irrigation Trust and the Mildura Urban Water Trust amount to £1,813,184 of which there has been repaid £64,771. Liability to the extent of £1,250,161 has been transferred to the State and £18,416 has been written off, leaving the balance of advances at 30th June, £479,836.

Waterworks Trusts.—Of advances of £12,326,150 from loan and £33,625 from revenue, £8,257,361 was still to be repaid at 30th June.

At the same date 62 trusts between them owed £29,151 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 £1,636,463, but liability to the extent of £1,370,760 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 £104,205 including £15,743 overdue instalments of redemption.

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 1961 and 1962.

1961.			1962.	
£	£		£	£
18,118		Contributions	20,040	
138		Other Income	150	
<u> </u>	18,256		<u> </u>	20,190
		<i>Expenditure—</i>		
2,246		Allowances, Board Members	2,690	
2,638		Salaries, Office Staff	3,057	
6,032		Inspection and Grading	6,007	
3,397		General Expenses	3,114	
<u> </u>	14,313		<u> </u>	14,868
	<u> </u>	Surplus for Year		<u> </u>
	3,943			5,322

At 30th June, 1963, the balance at credit to the Fund amounted to £23,487 and comprised cash £13,647 and investments £9,840.

Milk Board.—The Board's operations in 1962–63 resulted in a revenue surplus of £32,233, an increase of £1,414 over the comparable figure for 1961–62.

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.

1961–62.		<i>Revenue.</i>		1962–63.
£				£ £
150,247	Milk Trading Revenue			155,042
13,234	Milk Shop Licence Fees			13,772
1,336	Milk Shop Licence Transfer Fees			1,139
<u> </u>				<u> </u>
164,817				169,953
		<i>Expenditure.</i>		
43,650	Salaries			46,188
900	Pay-roll Tax			943
3,685	Rental of Premises			486
5,315	Travelling Expenses			6,586
5,142	General Expenses			5,323
70,319	Publicity Account—Appropriation			71,653
2,500	Improving Quality of Milk—Paid to Department of Agriculture			2,500
546	Building Maintenance			2,130
878	Interest			776
1,063	Depreciation			1,135
<u> </u>				<u> </u>
133,998				137,720
<u> </u>	Surplus for the Year			<u> </u>
30,819				32,233

The item—Publicity Account—Appropriation, £71,653—is the provision from revenue to meet publicity costs incurred in promoting the consumption of milk. This appropriation together with the sum of £7,827 contributed by milk depots and carriers was credited to the Publicity Account. Expenditure for publicity purposes, other than that of a capital nature, amounted to £81,613, and was met from the Publicity Account. At 30th June, 1963, the accumulated balance of this Account was £21,439, representing fixed assets and stock for publicity purposes, £9,452, Sundry Debtors, £502, and cash at credit of the Milk Board Fund, £11,485.

The Board's balances as at 30th June, 1962, and 30th June, 1963, were:—

30·6·62		30·6·63
£		£ £
1,102,566	Sundry Creditors—Trade	1,111,983
21,935	Sundry Creditors—Other	7,601
7,373	Milk Shop Licences Paid in Advance (Net)	4,585
<u>1,131,874</u>		<u>1,124,169</u>
	Accumulated Funds—	
	Accumulation Fund—	
392,206	Balance Brought Forward	423,025
30,819	Revenue Surplus for the year	32,233
<u>423,025</u>		<u>455,258</u>
23,572	Publicity Account	21,439
<u>446,597</u>		<u>476,697</u>
<u>1,578,471</u>		<u>1,600,866</u>
377,129	Milk Board Fund—Balance at Treasury	385,058
1,121,929	Sundry Debtors—Trade	1,124,713
659	Sundry Debtors—Publicity Account	502
		<u>1,125,215</u>
2,634	Office Equipment and Furniture less Depreciation	4,112
2,464	Motor Vehicles less Depreciation	2,788
68,162	Land and Buildings at cost	74,241
	Fixed Assets less Depreciation—	
	Publicity Account—	
3,240	Pasteurization Plant	2,916
1,586	Publishing Plant	2,763
..	Mobile Milk Promotion Units	2,313
		<u>7,992</u>
	Publishing Stocks on Hand—	
668	Publicity Account	1,460
<u>1,578,471</u>		<u>1,600,866</u>

Trade debtors and creditors, for the most part, resulted from trading operations for the month of June, 1963.

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, 1963.

Date.	Department, &c.	Amount.	Particulars.
1. <i>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. Restitution to the extent of £20 made by instalments at the rate of £1 per week.
1.3.1963 ..	Education	32 3 6	Deficiencies arising from failure to account for the proceeds of sales of departmental publications (£17 3s. 6d.) and the improper application of public moneys towards payment for certain booklets (£15).
2. <i>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.

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 as follows:—

	£
1958-59	4,139
1959-60	23
1960-61	1,597
1961-62	356
1962-63	30,052

Advances to Departments, &c., not satisfactorily adjusted at 30th June, 1963, and in respect of which the Treasurer had not been acquitted amounted to £265,992.

Defalcations and Irregularities, 1962-63.

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.)

Chief Secretary's Department.

Motor Registration Branch.—A junior female employee pleaded guilty, before the Children's Court, to seven counts of larceny as a servant. The amount involved, £11, was recovered and the person concerned was placed on probation for one year.

Country Fire Authority.—Audit investigation of the accounts of the Sunbury Urban, and the Sunbury and District Rural Fire Brigades disclosed shortages of £230 and £121 respectively.

Education Department.

Melbourne University Press.—An employee in the Accounts section of the Press misappropriated £158. The person concerned was dismissed and restitution was made to the extent of £119. The remainder was recovered from amounts due to him from the Provident Fund.

Technical School, Ringwood.—A junior female employee confessed to the misappropriation of £52 from the school bookstall. Restitution was made.

State School, Yea.—A Head Teacher was considered to have been responsible for a deficiency of £90 in the Official Account. The teacher was reduced in classification and transferred to a subordinate position at another school.

Various—Burglaries were reported at the Domestic Arts College, Armadale, the Sunshine High School, and the Brighton High School, with losses of £19, £13, and £2, respectively.

Health Department.

Mildura Hospital.—The assistant manager of the Hospital pleaded guilty to a charge of larceny as a servant of a total amount of £552 and was placed on probation. Restitution was made.

Emergency Home Help Service.—Irregular transactions associated with the conduct of this scheme in the Chelsea area caused the Department to make excess payments amounting to £979. The overpayment was adjusted by deduction from a later payment to the City of Chelsea.

Law Department.

Public Trustee.—A check of documents at the Office of the Registrar of Titles disclosed that an officer from the Office of the Public Trustee had been reimbursed a net amount of £41 in excess of the fees paid on and stamps affixed to such documents. The officer concerned produced stamps and cash equal to the sum involved, and no further action was taken.

Court of Petty Sessions, Elsternwick.—An assistant to the Clerk of Courts admitted responsibility for the misappropriation of a total amount of £75. Restitution was made.

Court of Petty Sessions, Melbourne (City Court).—An officer failed to account promptly for the fee of £20 received on the issue of a Pawnbroker's Licence.

Court of Petty Sessions, Meredith.—The Clerk of Courts, over a period of some eight months, failed to bank collections in the official accounts. The amounts involved were later brought to account, and the officer was reduced in classification by the Public Service Board.

Courts of Petty Sessions, Port Melbourne and Williamstown.—An assistant to the Clerk of Courts failed to account promptly for £175 received as bail deposits. Further audit investigation disclosed a deficiency of £40 with an additional sum of £4 in question. The officer concerned resigned and left Australia.

Treasurer.

Housing Commission.—The Rental office at Broadmeadows was broken into and a safe containing £220 was stolen. The loss was covered by insurance.

Public Works Department.

Country Roads Board.—An employee admitted having misappropriated £58 from a Mess Account. Restitution was made and the person concerned was dismissed.

Portland Harbor Trust.—An officer of the Trust was responsible for the improper use of funds at credit of an Advance Account. The officer was permitted to resign.

State Electricity Commission.

Castlemaine.—Cash, £11, was misappropriated and stores valued at £855 were stolen. A storekeeper who admitted responsibility was dismissed and the amounts involved were recovered from amounts due to him by the Commission.

Windsor Briquette Depot.—The office was broken into and £10 was stolen. The loss was covered by insurance.

Metropolitan Branch, Flinders-street.—An amount of £6 was lost or stolen from cash received through the mail. The person held responsible made good the amount.

General.—All losses or thefts of stores or materials reported during the year were investigated by officers of the Commission and were referred to the police for inquiry. The services of Commission personnel were terminated where guilt was established.

Railways Department.

Forty-eight officers and employees were found guilty of offences in respect of loss or theft of money or other property. With the exception of four instances involving sums of £146, £84, £68, and £61, the cash and other deficiencies were comparatively small. Twenty-one of the charges were heard by the Courts and twenty-seven were dealt with by the Railways Board of Discipline.

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 ..	Tocumwal ..	Various items ..	3	Police notified
Lands and Survey ..	Various ..	Survey equipment ..	40	Written off
Mental Hygiene ..	Kew ..	Chair, radio ..	15	} Written off
	Mont Park ..	Hose, desk lamp, tools	11	
Public Works ..	Brunswick ..	Tools &c. ..	50	} Police notified
	Dental Centre ..	Hose ..	6	
	Government House ..	} Tools ..	8	
	Larundel ..		46	
	Sandringham ..	7		
	Yarra Boulevard ..	Tools, equipment stores	228	
Rural Finance and Settlement Commission	Heytesbury ..	G. C. Iron ..	63	Convictions recorded Payment received
	Heytesbury ..	Tools and equipment	40	} Police notified
	Sunshine ..	Materials ..	2	
	Youanmite ..	G. C. Iron ..	27	} Written off
Social Welfare ..	Hillside ..	Kitchen equipment..	21	
State Rivers and Water Supply Commission	Birchip ..	} Materials, tools and equipment	24	} Suspected thefts referred to Police for inquiry. Losses written off by Commission
	Boort ..		3	
	Bunyip ..		2	
	Cohuna ..		13	
	Echuca ..		55	
	Frankston ..		68	
	Kerang ..		8	
	Koo-wee-rup ..		26	
	Maffra ..		65	
	Murchison ..		1	
	Murray Valley ..		3	
	Numurkah ..		20	
	Pyramid Hill ..		6	
	Red Cliffs ..		2	
	Reedy Creek ..		87	
	Shepparton..		28	
Tallangatta ..	7			
Tatura ..	892			
Tongala ..	7			
Workshops ..	19			
Various ..	58			

ACKNOWLEDGMENT.

I wish to convey to the officers of the Audit Office my grateful thanks both for their loyalty to me and the attention which they have given to the performance of their respective duties during the year.

Qualified and other members of the Audit Office staff with the assistance of juniors have, by their efforts, reduced audit arrears. However, the position in this regard will remain unsatisfactory until such time as more young officers, interested in audit careers, qualify as accountants and thereby provide an adequate number of officers eligible for appointment as Audit Inspectors.

I also desire to express to the officers of the Treasury and those of other Departments my appreciation for the courtesy and co-operation which they have extended to my officers and me during the year.

R. W. GILLARD,
Auditor-General.

Melbourne, 30th September, 1963.

STATEMENT No. 1.

RECEIPTS AND EXPENDITURE FOR THE YEAR 1962-63.

A statement of the Receipts and Expenditure of the Consolidated Revenue, Loan Moneys and Advances on account of Loan Moneys* for the financial year 1962-63.

Receipts.		Expenditure.	
	£	s.	d.
<i>Balances brought forward—</i>			
Surplus for 1961-62	10,536	9	7
Loan Fund	3,327	15	10
	13,864	5	5
<hr/>			
<i>Revenue for the year</i>	..	..	..207,075,428 16 10
<i>Proceeds of Loans raised for Works &c.</i>	..	..	..52,680,000 0 0
<i>Less Flotation Expenses &c.</i>	..	..	..321,725 8 4
<i>Loan Repayments</i>	..	..	..52,358,274 11 8
	..	..	..2,991,609 16 11
	262,439,177	10	10
			<hr/>
	262,439,177	10	10
			<hr/>
<i>Revenue Expenditure—</i>			
Under Parliamentary Authority	..	..	..205,469,250 0 4
From Treasurer's Advance	..	..	..1,605,355 18 4
			<hr/>
	207,074,605	18	8
<hr/>			
<i>Loan Expenditure—</i>			
Under Parliamentary Authority	..	..	..55,106,266 9 8
From Treasurer's Advance	..	..	..226,377 14 4
			<hr/>
	55,332,644	4	0
			<hr/>
<i>Total Expenditure for the year</i>	..	..	..262,407,250 2 8
Surplus for 1961-62 applied in reduction of Consolidated Revenue Deficit	..	..	..10,536 9 7
<i>Balances carried forward—</i>			
Surplus for year 1962-63	..	..	..822 18 2†
Loan	..	..	..20,568 0 5
			<hr/>
	21,390	18	7
			<hr/>
	262,439,177	10	10
			<hr/>

* Does not include £13,299,750 advances from Commonwealth Government for Housing, including £3,855,000 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 1962-63 with that in the previous year.

Note.—1962-63 shown in heavy type ; 1961-62 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.	70,387,549	35·86	22,031,836	41·24	92,419,385	37·01
	78,487,039	37·90	21,524,467	38·89	100,011,506	38·11
Law and Order—						
Law, Police, Prisons, &c.	14,033,713	7·15	832,601	1·56	14,866,314	5·95
	12,051,823	5·82	788,868	1·43	12,840,691	4·89
Debt Charges	35,238,519	17·95	..	..	35,238,519	14·11
	39,139,584	18·90	..	..	39,139,584	14·92
Commonwealth-State Housing (Interest and Repayments)	5,740,825	2·92	..	..	5,740,825	2·30
	6,342,466	3·06	..	..	6,342,466	2·42
Railways—						
Working Expenses and Loan Expenditure	40,721,240	20·74	7,664,374	14·35	48,385,614	19·38
	41,264,803	19·93	7,809,221	14·09	49,074,024	18·70
Pensions	2,826,788	1·44	..	..	2,826,788	1·13
	2,328,654	1·13	..	..	2,328,654	·89
Pensions (excluding Railways)	2,299,549	1·17	..	..	2,299,549	·92
	2,375,194	1·15	..	..	2,375,194	·90
Primary Production—						
Agriculture, Lands, Soldier Settlement, Forests, Country Water Supply &c.	10,996,064	5·60	8,754,023	16·39	19,750,087	7·91
	11,102,074	5·36	8,737,894	15·79	19,839,968	7·56
Advances to State Electricity Commission	..	..	7,000,000	13·10	7,000,000	2·80
	..	..	8,500,000	15·36	8,500,000	3·24
Other Public Works .. .. .	..	..	1,910,422	3·58	1,910,422	·76
	..	..	1,955,280	3·53	1,955,280	·74
Other Expenditure	14,054,030	7·16	5,223,607	9·77	19,277,637	7·72
	13,982,969	6·75	6,016,914	10·87	19,999,883	7·62
Total Expenditure from Consolidated Revenue and Loan	196,298,277	99·99	53,416,863	99·99	249,715,140	99·99
	207,074,606	100·00	55,332,644	99·96	262,407,250	99·99
Loan Funds carried forward .. .. .	..	..	3,328	·01	3,328	·01
	..	..	20,568	·04	20,568	·01
Revenue Surplus	10,536	·01	..	..	10,536	..
	823	..	..	..	823	..
Total Revenue and Loan Proceeds available to meet expenditure	196,308,813	100·00	53,420,191	100·00	249,729,004	100·00
	207,075,429	100·00	55,353,212	100·00	262,428,641	100·00

STATEMENT No. 3.

LOAN FUND.

ABSTRACT OF TRANSACTIONS FOR THE YEAR 1962-63.

	£	s.	d.	£	s.	d.
<i>Balance</i> of Loan Fund at 30th June, 1962 .. .. .	..	..	..	3,327	15	10
<i>Receipts—</i>						
Proceeds of Loans Raised—						
For Works, &c.	52,680,000	0	0			
„ Redemption	96,896,442	9	0			
Loan Repayments	2,991,609	16	11			
				152,568,052	5	11
				152,571,380	1	9
<i>Disbursements—</i>						
Works, &c., Under Parliamentary Authority ..	55,106,266	9	8			
„ „ From Treasurer's Advance ..	226,377	14	4			
	55,332,644	4	0			
Moneys applied to Redemption	96,784,732	9	0			
Flotation Expenses	321,721	13	4			
Conversion Bonus	111,713	15	0			
				152,550,812	1	4
<i>Balance</i> Loan Cash on Hand at 30th June, 1963 .. .. .	..	..	..	20,568	0	5

LIABILITY FOR LOANS.

	£	s.	d.	£	s.	d.
Liability to Commonwealth at 30th June, 1962 ..	674,477,415	0	1			
Loans raised in 1962-63—						
For Works, &c.	49,521,884	12	4			
„ Redemption	97,234,283	14	0			
	146,756,168	6	4	821,233,583	6	5
<i>Less</i> Loans Repurchased or Redeemed—						
By Redemption Loans	97,113,220	0	0			
„ National Debt Sinking Fund	7,868,032	8	0			
				104,981,252	8	0
Liability to Commonwealth at 30th June, 1963 ..	..	..	..	*716,252,330	18	5
<i>Less</i> Cash at credit of National Debt Sinking Fund	506,577	19	2			
Unexpended balance of Loan Cash	20,568	0	5			
				527,145	19	7
Net Liability for Loans at 30th June, 1963 .. .. .	..	..	..	*715,725,184	18	10
Net Liability for Loans at 30th June, 1962 .. .. .	..	..	..	674,262,410	1	6
The increase during the year was .. .. .	..	..	..	41,462,774	17	4

* Does not include £153,401,393 advanced by the Commonwealth for Housing purposes or £6,942,702 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, 1963, was :—

Various funds as per Treasurer's Statement—	£	£	£
Amounts lodged and invested .. .. .	..	..	23,307,867
General Account balances .. .. .	..	..	32,003,302*
			<hr/>
			55,311,169
			<hr/>
Represented by :—			
Stock and Securities—			
Commonwealth Government Inscribed Stock, &c. ..	..	12,695,960	..
Melbourne and Metropolitan Board of Works Stock .. .. .	..	927,400	..
Melbourne and Metropolitan Tramways Board Stock .. .. .	..	155,000	..
State Electricity Commission Stock .. .. .	..	1,638,480	..
Gas and Fuel Corporation Registered Debenture Stock .. .. .	..	405,000	..
Geelong Harbor Trust Debenture .. .. .	..	117,355	..
Kyabram Co-operative Fruit Preserving Co. Ltd.—Shares .. .. .	..	3,634	..
Gas and Fuel Corporation of Victoria—Shares ..	..	7,424,989	..
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 .. .. .	..	82,039	..
		<hr/>	24,089,867
Cash Advanced—			
For Revenue deficits .. .. .	..	1,696,806	..
For Other advances .. .. .	..	1,243,062	..
		<hr/>	2,939,868
Cash as per Treasurer's Statement .. .. .	..	28,302,825	..
<i>Deduct—</i>			
Loan Fund—Credit Balance .. .. .	..	20,568	..
Declared Revenue Surplus .. .. .	..	823	..
		<hr/>	21,391
		<hr/>	28,281,434
			<hr/>
			55,311,169
			<hr/>

* Includes balances invested under Section 9 of *Public Account Advances Act 1958*—£782,000.

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.
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
1962-63	695,364,873	38,793,404	7,636,625	31,156,779	5 11 7	1 2 0	4 9 7

† 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.
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
1962-63	134,861,639	6,500,947	715,990	5,784,957	4 16 5	0 10 8	4 5 9

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>					
Railway Income	..	..	..	..	..
Treasury credit for concessions in certain Country Freight Charges	..	..	..	..	..
Recoup Kerang-Koondrook Tramway Act	..	..	..	..	..
Recoup Pensioners' Fares Concessions	..	..	..	..	..
Transfer from Railway Equalization Account	..	..	..	..	..
		43,096,958	6 0	40,467,984	9 3
		143,000	0 0	550,146	19 11
		14,243	0 0	200,000	0 0
		100,000	0 0	17,000	0 0
		43,354,201	6 0	2,328,653	13 1
		209,583	16 3		
					43,563,785 2 3
<i>Loan—</i>					
Applied from the Loan Fund	..	..	..	..	..
		7,809,221	7 0	3,060,799	8 0
				184,251	4 11
				211,512	14 6
				4,352,657	19 7
					7,809,221 7 0
Total	..	..	..	..	..
		51,373,006	9 3		
					51,373,006 9 3

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.	1957-58.	1958-59.	1959-60.	1960-61.	1961-62.	1962-63.	Per cent. of Revenue.
Working Expenses	£ 36,054,257	£ 35,777,135	£ 36,957,974	£ 38,876,566	£ 40,000,032	£ 40,467,984	92·9
Commissioners' Salaries	14,000	14,900	15,654	17,000	17,000	17,000	93·1
Renewals and Replacements Fund	200,000	200,000	200,000	200,000	200,000	200,000	·5
Railway Accident, &c., Fund	370,630	434,049	488,743	483,264	504,208	550,147	1·2
Pensions and Gratuities	1,712,623	1,845,153	1,969,664	2,126,997	2,258,291	2,328,654	5·4
National Debt Sinking Fund	186,878	196,822	208,036	211,232	..	..	..
Interest	3,283,262	3,466,653	3,605,250	3,777,482	..	..	..
Exchange on Interest Payments in London	123,180	147,284	173,882	190,016	..	..	..
Loan Conversion Expenses	3,179	2,037	14,998	1,017	..	..	..
Railway Equalization Account .. .. .	..	..	..	920,347	3,659	..	..
Receipts	41,948,009	42,084,033	43,634,201	46,803,921	42,983,190	43,563,785	100·0
Railway Equalization Account	35,947,810	38,141,702	39,031,893	42,624,173	42,983,190	43,354,201	..
Deficiency	6,000,199	3,942,331	4,602,308	4,179,748	..	209,584	..

APPENDIX A.

TREASURER'S ADVANCE 1962-63.

The following amounts were charged to Treasurer's Advance at 30th June, 1963, pending the passing of the appropriate Loan Application Act.

	£	s.	d.	£	s.	d.
<i>Forests—</i>						
Purchase of Land					21,678	17 0
<i>Public Works—</i>						
King's Bridge Restoration	76,873	18	0			
Loan to Exhibition Trustees	20,000	0	0			
Navigational Aids	2,494	8	6			
Tourist Fund Contribution	13,500	0	0			
Victorian Committee for the Promotion of Oral Education of the Deaf ..	6,000	0	0			
					<u>118,868</u>	<u>6 6</u>
<i>Water Supply—</i>						
Advances to Waterworks Trusts—						
Cobram Waterworks Trust	578	13	3			
First Mildura Irrigation Trust	8,844	0	9			
Goornong Waterworks Trust	8,245	6	10			
Melton Waterworks Trust	28,245	8	6			
Moyhu Waterworks Trust	3,723	7	7			
Myrtleford Waterworks Trust	61	19	7			
Portland Waterworks Trust	10,000	0	0			
Springhurst Waterworks Trust	6,549	7	5			
Sunbury Waterworks Trust	6,079	3	0			
Swan Hill Waterworks Trust	8,000	0	0			
Warracknabeal Waterworks Trust	1,664	10	1			
Yackandandah Waterworks Trust	3,838	13	10			
					<u>85,830</u>	<u>10 10</u>
Total					<u>226,377</u>	<u>14 4</u>

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.	
PARLIAMENT.						
2	2	2	Office requisites and equipment	1	Travelling and subsistence	52
		4	Postal and telephone expenses	1		13
3	2	3	Stores, tools, garden requisites, &c.	1	Travelling and subsistence	11
5	1	3	Overtime and penalty rates	2	Salaries and allowances	4
6	1	2	Salaries and allowances	3	Overtime and penalty rates	19
DEPARTMENT OF PREMIER.						
7	1	2	Overtime and penalty rates	1	Salaries and allowances	1
	2	4	Postal and telephone expenses	3	Books, publications, incidental expenses	75
8	2	3	Books, publications, incidental expenses	1	Travelling and subsistence	450
				2	Office requisites and equipment	275
	3	1	Alpine Resorts Development Advisory Committee	4	Postal and telephone expenses	406
9	1	2	Overtime and penalty rates	4	Tourist Fund	14
				1	Salaries and allowances	295
9	2	7	Films and equipment—purchase, production, &c.	3	Payments in lieu of long service leave	25
				3	Books, publications, incidental expenses	50
10	2	1	Travelling and subsistence	4	Postal and telephone expenses	275
				3	Books, publications, incidental expenses	500
11	1	2	Overtime and penalty rates	4	Postal and telephone expenses	275
				1	Salaries and allowances	61
11	2	3	Books, publications, incidental expenses	2	Office requisites and equipment	170
				4	Postal and telephone expenses	70
13	1	1	Salaries and allowances	5	Motor vehicles—Purchase and running expenses	110
				2	Overtime and penalty rates	224
13	2	3	Books, publications, incidental expenses	2	Office requisites and equipment	250
				4	Postal and telephone expenses	100
14	1	2	Overtime and penalty rates	5	Examination expenses	300
14	2	1	Travelling and subsistence	3	Payments in lieu of long service leave	55
				4	Postal and telephone expenses	20
DEPARTMENT OF CHIEF SECRETARY.						
15	1	2	Salaries and allowances	3	Overtime and penalty rates	450
	2	4	Postal and telephone expenses	1	Travelling and subsistence	1
	2	5	Motor vehicles—Purchase and running expenses	3	Books, publications, incidental expenses	100
	3	2	Censorship of films	1		35
		4	Premiums Committee— <i>Motor Car Act</i> 1958	1	Commissions and Boards of Enquiry	175
		5	Insurance Commissioner	1		40
		6	Allowance—ex-members of Police Force	1		3
10	2	2	Office requisites and equipment	1	Travelling and subsistence	230
17	1	2	Overtime and penalty rates	1	Salaries and allowances	126
17	2	5	Motor vehicles—Purchase and running expenses	3	Books, publication, incidental expenses	50
18	1	2	Overtime and penalty rates	1	Salaries and allowances	275
18	2	1	Travelling and subsistence	4	Postal and telephone expenses	200
19	2	5	Motor vehicles—Purchase and running expenses	1	Travelling and subsistence	200
				2	Office requisites and equipment	7
		7	Laboratory equipment, &c.	2		12
		6	Fuel, light, power, and water	1	Travelling and subsistence	130
				3	Books, publications, incidental expenses	50
24	1	1	Salaries and allowances	3	Books, publications, incidental expenses	50
				2	Overtime and penalty rates	700
	3	3	Commercial Fisheries Council	7	Payments in lieu of long service leave	904
26	1	2	Overtime and penalty rates	1	Eradication of European Carp	64
	2	2	Office requisites and equipment	3	Salaries and allowances	224
				4	Books, publications, incidental expenses	1,150
27	1	1	Salaries and allowances	3	Postal and telephone expenses	1,200
27	2	2	Office requisites and equipment	5	Payments in lieu of long service leave	243
				3	Motor vehicles—Purchase and running expenses	200
28	2	1	Travelling and subsistence	3	Books, publications, incidental expenses	1,700
				6	Fuel, light, power, and water	600
				8		5
		2	Office requisites and equipment	8		696
		4	Postal and telephone expenses	8	Expenses of State Wards in foster homes, &c.	17
		5	Motor vehicles—Purchase and running expenses	8		97
		7	Stores, provisions, &c.	8		382
		9	Maintenance of migrant children	8		531
	2	4	Postal and telephone expenses	6	Fuel, light, power, and water	1,000
	3	1	Family Welfare Advisory Council	2	Rail travel—parents visiting wards	245
29	1	1	Salaries and allowances	2	Overtime and penalty rates	3,150
				3	Payments in lieu of long service leave	311
	2	4	Postal and telephone expenses	5	Motor vehicles—Purchase and running expenses	16
		7	Stores, provisions, &c.	2	Office requisites and equipment	1,100
				6	Fuel, light, power, and water	1,500
				8	Expenses of State wards in foster homes, &c.	3,400
		9	Allowances to trainees	2	Overtime and penalty rates	523
30	1	1	Salaries and allowances	2		3,712
30	1	3	Payments in lieu of long service leave	3	Books, publications, incidental expenses	250
	2	7	Stores, provisions, &c.	3	Motor vehicles—Purchase and running expenses	2,750
		8	Materials for manufacture	5	Office requisites and equipment	250
31	2	1	Travelling and subsistence	2		150
		5	Motor vehicles—Purchase and running expenses	2	Overtime and penalty rates	600
32	1	1	Salaries and allowances	3	Payments in lieu of long service leave	120
				2	Office requisites and equipment	86
	2	5	Motor vehicles—Purchase and running expenses	1	Salaries and allowances	788
33	1	3	Payments in lieu of long service leave	10	Transport of prisoners, traffic school, &c.	1,500
	2	2	Office requisites and equipment	1	Travelling and subsistence	3,000
				1	Books, publications, incidentals	2,035
		7	Personal equipment, uniforms, &c.	3	Fuel, light, power, and water	2,465
				6		419
		12	Burials	11	Training equipment and materials	2
				13	Provisions for police hospital	29
				13		36
		15	Police Long Service and Good Conduct Medals	2	Overtime and penalty rates	100
35	1	3	Payments in lieu of long service leave	1	Salaries and allowances	93
36	1	2	Overtime and penalty rates	1		227
		3	Payments in lieu of long service leave	1	Travelling and subsistence	60
	2	3	Books, publications, incidental expenses	4	Postal and telephone expenses	34
		5	Fuel, light, power, and water	1	Salaries and allowances	50
37	1	2	Overtime and penalty rates	1		

APPENDIX B—continued

Vote.		Transferred—					
Division.	Sub-Division	From Item.		To Item.		£	
		Item No.	Particulars.	Item No.	Particulars.		
DEPARTMENT OF CHIEF SECRETARY—continued.							
37	2	1	Travelling and subsistence	4	Postal and telephone expenses	5	
..	..	2	Office requisites and equipment	4		17	
..	..	3	Books, publications, incidental expenses	4		2	
..	..	5	Motor vehicles—Purchase and running expenses	4		17	
..	..	6	Fuel, light, power, and water	4		3	
..	..	8	Works of art	4		10	
..	..	3	Books, publications, incidental expenses	7		200	
38	2	3	Books, publications, incidental expenses	1		Furniture and fittings, display equipment, &c. .. .	75
..	4		Travelling and subsistence	90
..	4		Postal and telephone expenses	200
40	2	1	Travelling and subsistence	3	Books, publications, incidental expenses	200	
41	2	6	Provision, fuel, &c.—Migrant Centre	4	Postal and telephone expenses	100	
DEPARTMENT OF LABOUR AND INDUSTRY.							
42	1	4	Payments in lieu of long service leave	2	Salaries and allowances	391	
..	..	..	..	3	Overtime and penalty rates	1,150
DEPARTMENT OF EDUCATION.							
43	1	3	Overtime and penalty rates	2	Salaries and allowances	7,118	
..	..	4	Payments in lieu of long service leave	2	.. .. .	10,854
..	2	2	Books, publications, incidental expenses	1	Travelling and subsistence	2	
..	..	..	..	3	Postal and telephone expenses	990
..	..	..	..	11	Expenses of examinations	2,185
..	..	..	..	13	Allowances to school cleaners, &c.	20,575
..	..	4	Motor vehicles—Purchase and running expenses	1	.. .. .	4
..	..	5	School and office equipment	1	.. .. .	17
..	..	7	Visual education	1	Travelling and subsistence	3	
..	..	9	Manual training	1	.. .. .	15
..	..	12	Refund of school fees, &c.	1	.. .. .	2
..	..	4	Motor vehicles—Purchase and running expenses	11	.. .. .	50
..	..	9	Manual training	11	Expenses of examinations	1,000	
..	..	12	Refund of school fees, rents, &c.	11	.. .. .	2,265
..	3	1	Scholarships and bursaries	3	.. .. .	1
..	..	5(b)	Subsidies to hostels	3	.. .. .	7
..	..	..	Speech therapy, &c.	3	Allowances to students in training	1
..	..	9	Somers camp	3	.. .. .	8
..	..	11	Allowances to augment local contributions	3	.. .. .	2
44	2	4	Postal and telephone expenses	1	Travelling and subsistence	50	
..	..	..	..	2	Office requisites and equipment	80
DEPARTMENT OF ATTORNEY GENERAL.							
45	2	1	Travelling and subsistence	8	Payments to Jurors	2,383	
..	..	2	Office requisites and equipment	8		195	
..	..	3	Books, publications, incidental expenses	8		2,216	
..	..	6	Fuel, light, power, and water	8		7	
..	..	7	Allowances to witnesses	8		1,666	
..	..	9	Professional assistance	8		35	
..	..	10	Costs payable by the Crown	8		678	
..	..	13	Refunds of jury fees	8		90	
..	..	14	Court reporting	8		804	
45	2	3	Books, publications, incidental expenses	5		Motor vehicles—Purchase and running expenses	1,300
..	..	14	Court reporting	4		Postal and telephone expenses	3,400
..	11		Appearance fees—Prosecutors for the Queen	90
46	2	2	Office requisites and equipment	7		17
..	..	5	Fuel, light, power, and water	7		12
..	..	6	Supplies, &c.—Coroner's Court	7	.. .. .	631
..	..	8	Allowances to witnesses	7	.. .. .	555
..	..	9	Refunds of fines	7	.. .. .	8
..	..	..	..	10	Remuneration to surgeons	2,183
..	..	8	Allowances to witnesses	1	Travelling and subsistence	1,950	
..	..	..	..	3	Books, publications, incidental expenses	2,600
..	..	..	..	4	Postal and telephone expenses	410
47	1	1	Salaries and allowances	2	Overtime and penalty rates	700	
..	2	1	Travelling and subsistence	6	Fuel, light, power, and water	171	
..	..	2	Office requisites and equipment	3	Books, publications, incidental expenses	850	
..	..	..	..	6	.. .. .	658
..	..	4	Postal and telephone expenses	6	Fuel, light, power, and water	5	
..	..	5	Motor vehicles—Purchase and running expenses	6	.. .. .	137
49	1	1	Salaries and allowances	2	Overtime and penalty rates	1,300	
..	..	..	..	1	Travelling and subsistence	150
..	2	3	Books, publications, incidental expenses	2	Office requisites and equipment	300	
..	..	..	..	5	Fuel, light, power, and water	140
DEPARTMENT OF TREASURER.							
50	2	4	Postal and telephone expenses	1	Travelling and subsistence	204	
..	..	5	Motor vehicles—Purchase and running expenses	2	Office requisites and equipment	173	
..	..	..	..	7	Interest on deposits	45
..	..	6	Refunds—moneys unclaimed over six years	7	.. .. .	78
..	..	..	..	2	Office requisites and equipment	681
..	..	..	..	3	Books, publications, incidental expenses	150
..	..	..	..	1	Unforeseen expenditure	1,300
..	3	10	Annual subsidy to Royal Mint	2	Payment to New Zealand Government—Tattersall	493	
..	..	..	..	7	Refunds—permits, licences, &c.	1,000
..	..	..	..	22	Recoup to Railways Department—Kerang and Koonbrook Tramway Act 1951	243
..	..	..	..	36	Cultural development	4,995
52	2	1	Travelling and subsistence	2	Office requisites and equipment	7	
..	..	3	Books, publications, incidental expenses	2	.. .. .	16
55	1	3	Payments in lieu of long service leave	2	Overtime and penalty rates	4,693	
..	2	4	Postal and telephone expenses	3	Books, publications, incidental expenses	250	
56	1	2	Overtime and penalty rates	3	Payments in lieu of long service leave	222	
..	2	2	Office requisites and equipment	5	Motor vehicles—Purchase and running expenses	150	
57	1	3	Payments in lieu of long service leave	2	Overtime and penalty rates	4,785	
..	2	2	Office requisites and equipment	7	.. .. .	11
..	..	5	Motor vehicles—Purchase and running expenses	7	Purchase of paper, &c.	61	
..	..	6	Fuel, light, power, and water	7	.. .. .	50
..	2	5	Motor vehicles—Purchase and running expenses	1	Travelling and subsistence	200	
..	..	..	..	1	Travelling and subsistence	400
..	..	6	Fuel, light, power, and water	4	Postal and telephone expenses	500	
..	..	..	..	8	Working charges	2,000

APPENDIX B—continued

Vote.		Transferred—				
Division.	Sub-Division.	From Item.		To Item.		
		Item No.	Particulars.	Item No.	Particulars.	
DEPARTMENT OF LANDS AND SURVEY.						
58	1	2	Salaries and allowances	3	Overtime and penalty rates	1,810
..	2	2	Office requisites and equipment	4	Payments in lieu of long service leave	1,313
..	..	8	Expenses—surveys of land	1	Travelling and subsistence	2,000
..	..	9	Fees for registration of liens, commissions, &c.	7	Travelling and subsistence	3,770
59	1	2	Overtime and penalty rates	7	Survey and photographic equipment	1,700
59	2	1	Travelling and subsistence	1	Survey and photographic equipment	300
60	1	1	Salaries and allowances	3	Salaries and allowances	7
..	2	6	Fuel, light, power, and water	5	Books, publications, incidental expenses	350
				2	Motor vehicles—Purchase and running expenses	300
				1	Overtime and penalty rates	137
				3	Travelling and subsistence	40
				7	Books, publications, incidental expenses	200
					Tools, equipment, materials, &c.	300
DEPARTMENT OF PUBLIC WORKS.						
61	2	1	Travelling and subsistence	2	Office requisites and equipment	2,200
..	3	1	Works and buildings—Maintenance, &c.	3	Books, publications, incidental expenses	700
62	1	1	Salaries and allowances	4	Postal and telephone expenses	1,600
..	3	1	Wharves, jetties, &c.	3	Municipal, &c.—Rates and charges	23,674
..	..	3	Lighterage of explosives	2	Overtime and penalty rates	2,000
..	..	4	Marine surveys	5	Life saving services	38
..	..	6	Marine Board—Fees, &c.	5	.. .. .	2
				5	.. .. .	38
				2	Navigational aids	141
DEPARTMENT OF LOCAL GOVERNMENT.						
63	1	3	Overtime and penalty rates	2	Salaries and allowances	164
63	2	1	Travelling and subsistence	5	Motor vehicles—Purchase and running expenses	150
64	2	1	Travelling and subsistence	2	Office requisites and equipment	58
..	..	5	Motor vehicles—Purchase and running expenses	8	Books, publications, incidental expenses	78
				3	.. .. .	3
DEPARTMENT OF MINES.						
65	3	1	Engine Drivers' and Fusion Welders' Boards	8	Advances for gold mining	766
..	..	2	Sludge Abatement Board	8		5
..	..	5	Covering abandoned shafts	8		1
..	..	6	State batteries	8		1
..	..	7	Surveys, &c., for mineral deposits	8		2,531
DEPARTMENT OF WATER SUPPLY.						
67	1	2	Overtime and penalty rates	1	Salaries and allowances	4,091
..	2	2	Office requisites and equipment	1	.. .. .	21
..	..	3	Books, publications, incidental expenses	1	.. .. .	16
..	..	7	Rent	1	Travelling and subsistence	1,240
..	..	9	River gaugings	1	.. .. .	161
..	..	10	Central workshops and storeyards	1	.. .. .	2,531
..	..	12	Pay-roll tax	1	.. .. .	180
..	..	7	Rent	5	Fuel, light, power, and water	1,750
..	..	..	.. .. .	5	.. .. .	650
..	..	10	Central workshops and storeyards	8	Contour surveys, &c.	1,500
..	..	..	.. .. .	11	Repairs and maintenance of buildings	500
..	3	2	Irrigation, &c., districts—Materials, &c.	7	Subsidies to Sewerage Authorities	20,900
..	..	3	Waterworks districts—Materials, &c.	7	.. .. .	7,800
..	..	5	Removal of sand drift	7	.. .. .	5,900
..	..	6	River Murray Commission—Contribution	7	Subsidies to Sewerage Authorities	4,936
				9	Subsidies to Waterworks Trusts and other Bodies	151
DEPARTMENT OF AGRICULTURE.						
68	1	2	Salaries and allowances	3	Overtime and penalty rates	377
..	..	4	Payments in lieu of long service leave	3	.. .. .	258
..	2	7	Payments to officers—overseas investigations	6	Fuel, light, water, and power	150
..	3	3	Biology Branch	1	Victoria Dock Cool Stores—Equipment and running expenses	1
..	3	4	Information Branch—Equipment, &c.	1	.. .. .	161
..	..	5	Farm survey research	2	State Agricultural Laboratory—Equipment, &c.	180
..	..	10	Awards for improvements to agricultural machinery	2	.. .. .	17
..	..	2	Overtime and penalty rates	1	Salaries and allowances	2
69	1	2	Payments in lieu of long service leave	1	.. .. .	1,500
..	..	3	State Agricultural Colleges	3	Dairy College—Glenormiston	2,434
..	3	1	Salaries and allowances	2	Overtime and penalty rates	454
70	1	1	Travelling and subsistence	7	Inspection of produce	600
..	2	1	Overtime and penalty rates	1	Salaries and allowances	820
71	1	2	Payments in lieu of long service leave	1	.. .. .	1,096
..	..	3	Office requisites and equipment	5	Motor vehicles—Purchase and running expenses	205
..	..	2	.. .. .	1	.. .. .	29
..	..	4	Postal and telephone expenses	1	Travelling and subsistence	216
..	..	6	Fuel, light, power, and water	1	.. .. .	93
..	..	7	Stores, equipment, &c.	1	.. .. .	6
..	3	1	Viticultural Station—Rutherglen	2	Horticultural Research Station—Tatura	95
..	..	3	Horticultural Research Station—Scoresby	7	.. .. .	1
..	..	..	.. .. .	2	Control of fruit fly	76
..	..	4	Horticultural Research Station—Mildura	2	.. .. .	10
..	..	5	Horticultural experiments—Glenormiston	2	Horticultural Research Station—Tatura	17
..	..	6	Horticultural experimental work	2	.. .. .	1,128
..	..	..	.. .. .	7	Control of fruit fly	827
..	..	8	Horticultural Scholarships	7	.. .. .	206
72	1	1	Salaries and allowances	2	Overtime and penalty rates	351

APPENDIX B—continued

Vote.		Transferred—			
Division.	Sub-Division.	From Item.		To Item.	
		Item No.	Particulars.	Item No.	Particulars.
DEPARTMENT OF HEALTH.					
74	1	3	Overtime and penalty rates	2	Salaries and allowances
..	2	1	Travelling and subsistence	6	Medical, &c., expenses at penal establishments ..
..	..	3	Books, publications, incidental expenses ..	6	.. .. .
..	..	5	Motor vehicles—Purchase and running expenses ..	6	.. .. .
75	1	2	Overtime and penalty rates	4	Postal and telephone expenses
..	2	16	Poisons control	1	Salaries and allowances
..	3	1	Subsidies to municipalities—assistance to elderly people	2	Venereal Diseases
..	..	3	Cost of travel to public hospitals—people of limited means	2	Subsidies to municipalities—home help schemes ..
..	..	4	Commission of Public Health—Fees and expenses	2	.. .. .
..	..	5	Food Standards Committee	2	.. .. .
76	1	1	Salaries and allowances	2	Payments in lieu of long service leave
..	3	2	Preventative measures—tuberculosis	1	State Sanatoria—Maintenance and treatment expenses
77	1	1	Salaries and allowances	3	Payments in lieu of long service leave
..	2	1	Travelling and subsistence	8	.. .. .
..	..	3	Books, publications, incidental expenses ..	8	Medical, &c., expenses—Social Welfare Branch ..
..	..	9	Expenses—Infant welfare, &c., scholarships ..	8	.. .. .
..	3	2	Subsidies—Creches and day nurseries	11	Rail passes, &c.—Infant welfare nurses, &c. ..
..	..	3	Consultative Council on Maternal Mortality—Fees, &c.	1	Subsidies—Kindergartens and pre-school centres ..
..	..	4	Subsidies to municipalities—Infant welfare centres, &c.	1	.. .. .
..	..	7	Dental Hospital—subsidy—pre-school children ..	1	.. .. .
78	1	1	Salaries and allowances	2	Overtime and penalty rates
..	2	5	Motor vehicles—Purchase and running expenses ..	1	Travelling and subsistence
..	..	6	Fuel, light, power, and water	1	.. .. .
..	..	..	.. .. .	2	Stores, provisions, &c.—Mental institutions ..
..	..	..	.. .. .	7	Office requisites and equipment
78	2	8	Medicines and drugs	3	Books, publications, incidentals
..	..	..	.. .. .	4	Postal and telephone expenses
..	..	..	.. .. .	7	Stores, provisions, &c.—Mental institutions, &c. ..
..	..	..	.. .. .	9	Committal of patients
RAILWAYS CONSTRUCTION BRANCH.					
79	1	2	Overtime and penalty rates	1	Salaries and allowances
MINISTRY OF TRANSPORT.					
81	2	3	Books, publications, incidental expenses	1	Travelling and subsistence
..	..	4	Postal and telephone expenses	1	.. .. .
..	..	5	Motor vehicles—Purchase and running expenses ..	4	Postal and telephone expenses
RAILWAYS DEPARTMENT.					
82	1	7	General expenses	1	Traffic Branch and Commercial Branch ..
..	..	10	Pay-roll tax	1	.. .. .

£

197

50

150

100

60

37

875

3,509

5,092

625

113

2,566

6,000

995

750

4,700

250

131

1,500

496

66

54

65,000

500

2,000

4,000

5,000

2,500

6,000

6,750

1,250

38

10

15

8

105,380

44,472

APPENDIX C-1

ENDOWMENTS AND GRANTS.

	1961-62.	1962-63.	Increase + Decrease -
	£	£	£
Social—			
Alcoholism Foundation of Victoria	800	1,200	+ 400
Alexander Miller Memorial Homes Trust	2,000	2,500	+ 500
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	1,200	1,200	..
Boy Scouts Association	2,000	2,000	..
Bush Nursing	96,500	121,584	+ 25,084
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	1,000	1,000	..
National Fitness Council	20,000	17,500	- 2,500
National Safety Council	10,000	10,000	..
Occupational Therapy	2,000	2,000	..
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	11	+ 1
Royal Life Saving Society	5,000	5,000	..
St. John's Ambulance Brigade	1,750	1,750	..
Salvation Army	500	500	..
Science and Technology Careers Bureau	2,000	1,736	- 264
State Relief Committee	22,000	22,000	..
Surf Life Saving Association of Australia	6,000	9,500	+ 3,500
Victorian Amateur Swimming Association	1,000	1,000	..
Victorian College of Pharmacy .. .. .	..	20,000	+ 20,000
Victorian Council for Social Services	1,700	2,300	+ 600
Victorian Family Council	500	500	..
Victorian Nursing Council—Training Schools for Nurses	12,000	12,000	..
Victorian Women's Amateur Athletic Association .. .. .	..	500	+ 500
Walter and Eliza Hall Research	16,000	16,000	..
Young Christian Workers Movement	1,000	1,000	..
Young Farmers' Clubs Association	13,500	13,500	..
Young Men's Christian Association	2,000	2,000	..
Youth Unlimited .. .. .	..	..	..
Cultural—			
Bands	2,400	2,400	..
Children's Free Libraries	9,000	5,000	- 4,000
Country Art Galleries	10,000	10,000	..
Country Free Libraries	9,000	9,000	..
Cultural Development	47,895	54,995	+ 7,100
Municipal and Regional Libraries	336,965	397,011	+ 60,046
Orchestral Concerts	14,072	14,580	+ 508
Victorian Symphony Orchestra	32,500	32,500	..
Sundry—			
Animal Welfare League	500	500	..
Australian Publicity Council	5,000	5,000	..
Ballarat Fish Acclimatization Society	1,200	1,200	..
British Commonwealth Day Movement .. .. .	..	250	+ 250
British Commonwealth Youth Sunday	3,967	3,838	- 129
British Memorial Foundation	100	100	..
Cemeteries, Improvement and Maintenance	7,000	7,000	..
Commonwealth Parliamentary Association—Victorian Branch	11,611	4,956	- 6,655
Congress of International Council of Nurses .. .. .	..	..	..
Country Fire Authority .. .. .	..	1,000	+ 1,000
Exhibition Trustees	1,000	..	- 1,000
Guide Dog Owners and Friends Association	500	500	..
Kerang Agricultural Research Farm	500	500	..

ENDOWMENTS AND GRANTS—*continued.*

	1961-62.	1962-63.	Increase + Decrease—
	£	£	£
<i>Sundry—continued</i>			
Macalister Research Farm Co-operative Ltd.	1,000	1,000	..
Melbourne Medical Post-Graduate Committee	2,000	2,000	..
National Association of Testing Authorities	350	350	..
National Trust of Australia (Victoria)	6,000	6,000	..
Nyah-Woorinen Enquiry Committee .. ..	..	508	+ 508
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	750	+ 250
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	900	900	..
Victorian Rural Fire Brigades Association .. ..	..	1,000	+ 1,000
War Nurses Memorial Centre	2,000	2,000	..
Water Research Foundation of Australia Ltd.	5,000	5,000	..
Women's Prison Council	50	50	..
Zoological Board of Victoria	16,000	18,500	+ 2,500
Total	791,970	898,169	+ 106,199

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.

	£
Melba Memorial Conservatorium of Music	750
Moe Mixed Choir	25
" Moomba " Festival	2,000
Mordialloc City Philharmonic Society	100
Mordialloc Eisteddfod	25
Mornington Eisteddfod	100
Morwell Art Group	25
Morwell Male Choir	25
Morwell Players	50
National Theatre Movement of Australia (Ballarat Branch)	300
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	200
Quambatook Music and Dramatic Club	25
Red Cliffs Musical Society	25
Ringwood Arts and Crafts Society	50
Rochester Music and Drama Circle	25
St. Arnaud Drama Group	50
St. Arnaud Society for the Enjoyment of the Arts	25
St. John's Competitions, Ballarat	125
Sale Arts Festival	300
Sale Eisteddfod Society	200
Sale Repertory Group	50
Sandringham Symphony Orchestra	100
Seymour Music Club	50
Shepparton Drama Group	25
Shepparton Musical Advancement Society	225
Shepparton Players	25
Shepparton Symphony Orchestra	215
South Gippsland Male Choir	25
South Gippsland Music and Speech Festival	50
South-street Society	2,500
Stawell Drama Group	25
Thespians (Yallourn) Dramatic Society	25
Thorpdale Drama Group	25
Tongala Musical Appreciation Club	50
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
Warragul Dramatic Society	50
Warrandyte Arts Association	150
Warrnambool City Musical Society	50
Warrnambool Ladies Choir	25
Wendouree Arts Council	25
West End Eisteddfod (Footscray)	300
Williamstown Light Opera Company	100
Williamstown Little Theatre Movement	150
Williamstown Orchestral Society	25
Wonkana Choral Society	50
Yallourn Little Theatre	50
Yallourn Orchestral and Choral Society	100
Total	54,995

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, 1963.
1. Departments—		£
Agriculture	Machinery and Equipment Parts, Fuel, Seed, Publications ..	85,369
Chief Secretary—		
(a) Police Branch (including Motor Registration Branch)	Radio and Vehicle Parts, Clothing, Office Requisites ..	186,630
(b) Social Welfare Branch	Clothing, Bedding, Crockery, Hardware	199,367
Crown Lands and Survey	Implements, Equipment, Plans, Photographic Materials ..	282,948
Education	School Requisites, Books, and Equipment	229,111
Forests	Vehicle Parts, Tools, Fuel	214,364
Health (including Mental Hygiene Authority) ..	Furniture, Hardware, Linen, Instruments, Clothing, Drugs ..	413,017
Mines	Machinery, Tools, Tubing, Chemicals	183,748
Public Works	Mechanical and Electrical Equipment, Spare Parts, Furniture, Building Materials	344,300
Railways (including State Coal Mine)	Engineering, Refreshment Services, and General Stores ..	4,338,060
Treasurer—Government Printer	Paper, Stationery, Publications	625,735
Water Supply	Machinery Parts, Tools and General Stores	886,208
2. Public Authorities—		
Cancer Institute Board	Medical, Technical and General Stores	21,055
Council of Adult Education	Theatrical Equipment	7,330
Country Fire Authority	Fire Appliances, Hose, Spare Parts, Uniforms	96,564
Country Roads Board	Vehicle Parts and Accessories, Camping Equipment, General Stores	487,778
Egg and Egg Pulp Marketing Board	Eggs, Packing Materials, Spare Parts	168,411
Gas and Fuel Corporation	Gas Appliances, Fittings, and General Stores	1,742,976
Geelong Harbor Trust	Engineering and Maintenance Stores	36,095
Grain Elevators Board	Mechanical Parts, Fuel	1,093
Housing Commission	Building Materials, Spare Parts	326,081
Latrobe Valley Water and Sewerage Board ..	Construction Materials, Pipes, Spare Parts	30,368
Melbourne and Metropolitan Board of Works ..	Engineering Stores, Spare Parts, Pipes, Meters	1,036,000
Melbourne and Metropolitan Tramways Board ..	Engineering Stores and Parts, Uniforms, and Stationery ..	379,388
Melbourne Harbor Trust	Maintenance and Engineering Stores	366,625
Metropolitan Fire Brigades Board	Fire Appliances, Electrical and Engineering Stores, Uniforms	87,000
Portland Harbor Trust	Maintenance and Engineering Stores	48,782
Rural Finance and Settlement Commission ..	Constructional and General Stores	95,087
State Electricity Commission	Electrical, Maintenance, and Constructional Stores ..	3,201,384
State Relief Committee	Clothing, Bedding, Hardware, Provisions	70,549
Transport Regulation Board	Stationery and Office Requisites	5,721
University of Melbourne	Building Materials and Stationery	25,500
Victorian Inland Meat Authority	Livestock, Meat, Packing Materials, General Stores ..	99,000
	Total	16,322,553

EDUCATION DEPARTMENT
Comparative Analysis of Expenditure from Loan and Revenue

NOTE:—1962-63 shown in heavy type.
 1961-62 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 and Hostels	Universities	Pensions, &c.	Miscellaneous	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
EXPENDITURE.																	
Salaries (including Pay-roll Tax) ..	735,307 689,844																735,307 689,844
Salaries—Teachers (including Pay-roll Tax)		226,090 214,158	138,176 113,249	522,039 458,578	8,016,815 6,713,397	80,470 116,158	16,397,187 15,019,468	446,962 408,602	938,958 823,039	4,884,285 3,881,211	864,246 753,417						32,515,228 28,501,277
Salaries—Teachers, &c., in Charge of Hostels (including Pay-roll Tax)								3,252 3,098					18,960 16,658				22,212 19,756
Salaries—Clerical Assistance (including Pay-roll Tax)		5,505 5,403	10,717 10,369	13,086 13,310	210,249 189,833	509 1,661	4,548 5,417		20,045 15,342		40,423 31,534	2,608 1,895					307,690 274,764
Wages—Domestic Staff ..								4,057 3,644	7,124 7,698				160,439 149,500				171,620 160,842
Allowances to Students in Training												3,523,972 2,799,963					3,523,972 2,799,963
Buildings (including Residences), Furniture, &c. (including Maintenance)		4,993 7,879		96,523 328,057	4,734,019 4,045,115	1,118 16,889	4,592,218 4,298,821	70,201 104,263		368	2,396,300 2,757,692	142,042 477,776	41,931 56,292	1,881,606 2,619,694			13,960,951 14,725,626
Buildings—Rentals ..				347 823	6,585 9,805	230 353	10,917 11,413				5,756 10,626		1,635 1,245				25,470 34,265
Travelling Expenses, Office Requisites, School Cleaning, Equipment, &c.	181,555 145,037	26,036 20,960	14,940 11,730	53,828 49,838	756,532 626,237	6,026 6,935	1,259,423 1,107,238	33,243 27,825	84,125 75,069		140,673	139,121 126,658					2,695,502 2,197,527
Domestic Arts and Manual Training—class materials, &c.		683 551		20,438 19,221	153,728 148,260	2,870 4,840	11,613 12,414	2,013 1,386	150 7		70 26	133 115					191,698 186,820
Conveyance of Pupils ..		5,459 5,255		38,542 37,775	889,183 830,719	16,285 36,855	855,001 831,001	59,618 31,609	3,189 3,722		351,547 301,028						2,675,947 2,523,735
Bursaries, Scholarships, and Maintenance allowances ..	619 1,078	2,426 1,997	112 130	19,509 17,592	212,629 206,646	704 1,382	1,720 936	97,910 93,272	399 160	510	99,633 95,686	190 506		13,491 11,683			449,852 431,068
Fees—University and other ..												113,696 101,907					113,696 101,907
Teachers Tribunal ..	19,535 17,782																19,535 17,782

Grants	74,766	300	891	5,500	100,000	30,000	2,217,600	..	2,430,807
	65,070	300	891	5,500	100,000	25,000	1,822,600	..	2,025,304
Pensions and Superannuation to retired Teachers and Officers	..	..	..	..	..	..	1,092,581	..	1,092,581
	..	..	..	..	..	..	1,020,025	..	1,020,025
Costs of Text Books and other publications	..	..	..	..	..	..	..	88,627	88,627
	..	..	..	..	..	..	..	105,011	105,011
Allowances, Maintenance, &c. (under reciprocal arrangements with other States)	..	..	..	..	..	..	..	2,449	2,449
	..	..	..	..	..	..	..	2,043	2,043
Maintenance Grants—Technical Schools	..	..	..	..	2,800,000	..	..	..	2,800,000
	..	..	..	..	2,535,000	..	..	..	2,535,000
Miscellaneous	6,293	70,410	139,772	23,075	41,922	7,744	184,575	..	494,143
	9,942	66,715	139,528	22,889	111,872	7,597	157,040	..	528,837
Total Expenditure	1,018,075	15,050,450	23,273,290	1,082,676	10,820,186	4,861,567	4,112,697	91,076	64,317,287
	928,841	12,837,027	21,427,127	953,634	9,793,141	4,324,473	4,453,977	107,054	58,881,396
RECEIPTS.									
Tuition Fees .. .. .	..	15,435	1,060	..	..	1,778	..	..	20,104
	..	14,837	819	..	..	929	..	..	17,910
Rents .. .. .	..	37,563	101,317	830	13,583	2,197	..	..	156,760
	..	53,527	85,533	1,093	10,466	1,926	..	..	154,752
Students' Board .. .. .	..	..	..	14,245	..	..	228,415	..	243,884
	..	..	..	13,979	..	..	175,601	..	191,286
Sale of Text Books, &c. .. .. .	..	..	..	..	..	..	..	42,475	42,475
	..	..	..	..	..	..	..	45,372	45,372
Broken Bond payments	64,759	..	..	..	..	..	..	..	64,759
	57,211	..	..	..	..	..	..	..	57,211
Miscellaneous	24,056	2,984	11,025	12	244	39	12,977	..	51,355
	15,626	57	12,376	21	955	..	11,861	..	42,695
Total Receipts	88,815	55,982	113,402	15,075	13,827	4,014	241,392	42,475	579,337
	72,837	68,421	98,728	16,871	11,421	2,855	187,462	45,372	509,226
Net Expenditure	929,260	14,994,468	23,159,888	1,067,601	10,806,359	4,857,553	168,756	48,601	63,737,950
	856,004	12,768,606	21,328,399	936,763	9,781,720	4,321,618	195,168	61,682	58,372,170

† Includes £166,336 expended from Special Works Trust Account—Commonwealth Grant. * Includes £400,000 expended from Special Works Trust Account—Commonwealth Grant.

APPENDIX F.

SUMMARY OF RECEIPTS AND PAYMENTS FOR YEAR ENDED 30TH JUNE, 1963, 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 ..	2,554	..	242	2,796	34,899	7,290	5,290	47,479	44,683
Dookie Agricultural College ..	29,301	34,031	12,627	75,959	126,143	79,137	75,610	280,890	204,931
Dookie Agricultural College Stock Trading Account .. ..	..	4,803	..	4,803	..	4,943	..	4,943	140
Glenormiston Dairy College ..	..	8,021	6,026	14,047	10,514	8,168	5,771	24,453	10,406
Longerenong Agricultural College	10,432	18,471	6,830	35,733	64,855	31,804	67,207	163,866	128,133
Longerenong Agricultural College Stock Trading Account ..	..	173	..	173	..	1,669	..	1,669	1,496
School of Dairy Technology									
Werribee	252	5,153	680	6,085	11,276	13,920	1,391	26,587	20,502
Ellinbank Dairy Research Centre	..	7,757	913	8,670	18,316	9,344	5,111	32,771	24,101
Potato Research Station, Healesville .. ..	..	1,234	401	1,635	10,595	7,530	14,092	32,217	30,582
Horticultural Research Station, Mildura .. ..	..	..	3	3	3,741	1,901	2,701	8,343	8,340
Tobacco Research Station, Myrtleford .. ..	..	469	289	758	2,862	939	272	4,073	3,315
Rutherglen Research Station ..	..	20,021	1,650	21,671	22,866	12,947	14,955	50,768	29,097
Rutherglen Viticultural Station	..	4,167	167	4,334	10,642	1,912	266	12,820	8,486
Horticultural Research Station, Scoresby .. ..	..	2,953	481	3,434	19,908	8,897	27,248	56,053	52,619
State Research Orchard, Tatura	..	7,584	2,486	10,070	19,920	16,475	5,204	41,599	31,529
Mallee Research Station, Walpeup .. ..	..	7,155	2,867	10,022	13,590	7,911	3,985	25,486	15,464
State Research Farm, Werribee	..	29,989	3,991	33,980	59,244	45,734	24,700	129,678	95,698
Pastoral Research Station, Hamilton .. ..	..	7,529	225	7,754	8,601	8,769	15,802	33,172	25,418
Irrigation Research Station, Kyabram .. ..	..	5,995	305	6,300	9,407	5,370	16,196	30,973	24,673
	42,539	165,505	40,183	248,227	447,379	274,660	285,801	1,007,840	759,613

Receipts and payments in respect of Trust Funds from Commonwealth sources affecting the institutions have not been included in the above statement. The main item of receipt was of £35,000 for the Tobacco Research Station at Myrtleford. Relevant expenditure from the Trust Funds amounted to £60,319, principally for Myrtleford (£32,201).

Advances from the Public Account of £5,000 and £3,000 respectively, made to the Dookie and Longerenong Agricultural College Stock Trading Accounts have not been included in this statement.