
REPORT

OF THE

AUDITOR-GENERAL

FOR THE YEAR ENDED

30th JUNE, 1966

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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, 1966.

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, 1966, 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, 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 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 30th June, 1966. 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 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.

On 14th February, 1966, decimal currency came into effect. Therefore, all financial amounts in this report are expressed in dollar currency. To facilitate comparison, all amounts shown in respect of previous years or quoted from statutes operative before 14th February, 1966, have been converted to decimal currency. In some instances, amounts are presented in exact monetary detail either to conform with statutory requirements or to accord with long established practice. All other amounts are rounded off to the nearest dollar.

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.

CONSOLIDATED REVENUE.

In 1965-66—		\$
The Consolidated Revenue brought to account from all sources was		508,553,852.39
The Expenditure charged to Revenue was	.. .. .	516,689,232.15
The Deficit for the year was	.. .. .	<u>8,135,379.76</u>

The expenditure for the year, as recorded above, includes the sum of \$2,191,903.69 which has been charged to Treasurer's Advance pending the passing of the Supplementary Estimates for the year.

The influence of the railway financial position on the overall financial result for the year is clearly shown in the following analysis :—

	Expenditure for 1965-66.	Revenue for 1965-66.	Deficit.
	\$	\$	\$
Departmental Services—Other than Railways ..	411,507,432	408,880,986	2,626,446
Railways	105,181,800	99,672,866	5,508,934
	<u>516,689,232</u>	<u>508,553,852</u>	<u>8,135,380</u>

The Budget Estimates for 1965-66 provided for a balanced budget. In the event, actual revenue for the year fell \$7,233,660 short of estimated revenue and actual expenditure exceeded the estimate by \$901,720. The combined result of these divergences from the Estimates was the deficit of \$8,135,380 already referred to.

Revenue Receipts.—The principal deficiencies in revenue compared with the Budget Estimates were :—

	\$
Railways	5,527,134
Stamp Duty	2,286,589
Probate Duty	1,997,463
Tattersall Duty	425,569
Fines	220,579
Ports and Harbors	208,433

The major excesses of revenue over the Budget Estimates were :—

	\$
Totalizator	960,302
Interest	795,703
Water and other State Works	636,786
Duty on Insurance Business.. .. .	397,482
Territorial	387,578

State revenue in 1965-66 from sources other than the Commonwealth amounted to \$309,067,035, an increase of \$7,399,959 over the 1964-65 figure of \$301,667,076. Revenue from these sources constituted 60·77 per cent. of the State's gross revenue in 1965-66 compared with 62·76 per cent. in 1964-65.

State revenue received from Commonwealth sources rose from \$179,000,742 in 1964-65 to \$199,486,817 in 1965-66, an increase of \$20,486,075. Expressed as a percentage of the State's gross revenue, the proportion from Commonwealth sources in 1965-66 was 39·23 per cent. and in 1964-65, 37·24 per cent.

The following summary sets out, under broad headings, significant variations in revenue compared with 1964-65 which resulted in the increase in 1965-66 of \$7,399,959 in revenue from State sources :—

	\$	\$	Variation. \$
<i>Major increases in revenue largely resulting from a full year's application in 1965-66 of new or increased charges operative for part only of 1964-65—</i>			
Stamp duty on applications for registration and notices of acquisition of motor cars		2,419,276	
Other "Duty Stamps" revenue (net)		1,061,819	
Increase of \$3 in triennial fee for motor driver's licence		755,356	
		<hr/>	4,236,451
<i>Net addition from other State Taxes—</i>			
<i>Increases—</i>			
Probate Duty	388,247		
Land Tax	155,790		
Motor Car Third-Party Insurance Surcharge	94,621		
Totalizator	1,782,742		
Duty on Insurance Business	962,774		
Licensing Fund Payment	508,829		
Sundry Taxes	130,092		
		<hr/>	4,023,095
<i>Decreases—</i>			
Tattersall Duty	422,785		
Sundry Taxes	130,208		
		<hr/>	552,993
<i>Increase in Interest recoups, &c.</i>			3,470,102
<i>Increase in Revenue, "Public Works"</i>			3,423,169
<i>Net increase from other State sources</i>			1,479,604
			<hr/>
			13,850,688
<i>Major decreases in revenue—</i>			
<i>Transfers from Trust Accounts—</i>			
Mallee Land Account	596,170		
Police Pensions Fund—Surplus Revenue Account	3,128,678		
Railway Equalization Account	2,169,600		
		<hr/>	5,894,448
Other Railway Revenue		184,324	
Ports and Harbors		371,957	
		<hr/>	6,450,729
			<hr/>
			7,399,959

State revenue from Commonwealth sources over the past two years is compared hereunder :—

Commonwealth Grant or Contribution.	1964-65.	1965-66.	Increase + Decrease -
	\$	\$	\$
Contribution pursuant to Commonwealth—States Financial Agreement	4,254,318	4,254,318	..
Financial Assistance Grant	171,749,698	191,921,804	+ 20,172,106
Tuberculosis Arrangement	2,738,844	3,010,388	+ 271,544
Towards remissions and losses on Soldier Settlement Advance— <i>States Grants (Water Resources) Act 1964</i> ..	154,930	203,130	+ 48,200
Other	89,380	79,620	- 9,760
	13,572	17,557	+ 3,985
	179,000,742	199,486,817	+ 20,486,075

Later in this Report, more detailed information is furnished in relation to the financial assistance listed above.

Revenue Expenditure.—Expenditure for the year in respect of departments and services, including railways, was \$516,689,232 which showed an increase of \$36,021,414 over the previous year's total of \$480,667,818.

Of the total, railway expenditure (including debt charges) amounted to \$105,181,800 in 1965-66 as against \$102,655,368 in 1964-65—an increase of \$2,526,432.

Expenditure other than railway expenditure was \$33,494,982 higher in 1965-66 than in 1964-65, the respective figures being \$411,507,432 and \$378,012,450.

Repeating the broad pattern of the increase in expenditure in the previous year, the increase in 1965-66 is attributable substantially to higher expenditure on education, debt charges and health services. The following statement provides a comparison under these headings of expenditure for the two years :—

	1964-65.	1965-66.	Increase.
	\$	\$	\$
Education	126,681,194	142,122,789	15,441,595
Debt Charges	104,815,636	113,041,147	8,225,511
Health Services—Including transfers to Hospitals and Charities and Mental Hospitals Funds ..	61,091,280	66,976,501	5,885,221

Expenditure on education is offset to a relatively small extent by revenue collections and recoups of expenditure. These amounted to \$1,479,398 in 1964-65 and \$1,502,926 in 1965-66. Detailed comment on the increase in the expenditure on Education is made under that heading at page 36.

The following statement shows the composition of the debt charges figure of \$113,041,147 mentioned above and provides a comparison of 1965-66 with the previous year :—

	1964-65.	1965-66.	Increase.
	\$	\$	\$
Debt charges on Public Debt	88,986,235	95,861,765	6,875,530
Interest and principal—Commonwealth—State Housing Agreement	15,200,062	16,550,043	1,349,981
Interest and principal—Commonwealth—State Soldier Settlement Account	629,339	629,339	..
	104,815,636	113,041,147	8,225,511

Debt charges on the Public Debt (which include interest and sinking fund payments) again showed a considerable increase over the previous year.

In 1965-66, total debt charges, at \$113,041,147, constituted 21·8 per cent. of the total expenditure from Consolidated Revenue. However, a substantial part of the outlay for debt charges is offset by recoups of interest and sinking fund contributions from State bodies which have received advances from the State's Loan Fund and by interest received from various sources and paid into Consolidated Revenue.

Statement No. 5 appended to this Report contains a detailed statement of receipts and payments for the year 1965-66 on account of debt charges and an analysis over a period of years of the respective proportions of the debt charges met each year from taxation and general revenues and from other sources. In 1965-66, the net amount available from other sources for the payment of debt charges was \$20,039,004 and the balance which had to be met from taxation and general revenues was \$71,792,087. These figures exclude Railway debt charges, amounting to \$4,030,673, and interest and principal repayments in respect of advances from the Commonwealth for housing and of special advances for soldier settlement.

Payments from Consolidated Revenue for interest and repayments of principal on loans made to the State under the Commonwealth–State Housing Agreement and on special loans from the Commonwealth for soldier settlement are recouped to Revenue from the income of the Housing Commission and from the Home Builders' Account in respect of housing loans, and from the income of the Rural Finance and Settlement Commission in respect of soldier settlement loans. In 1965–66, payments from Revenue amounted to \$16,550,043 in respect of housing loans and \$629,339 for soldier settlement loans.

The third heading of expenditure referred to above as contributing substantially to the increase in total expenditure from Consolidated Revenue in 1965–66 is that of health services. The following statement shows what may be regarded as the sources of finance for the expenditure on health services in 1964–65 and 1965–66:—

From—	1964-65.		1965-66.	
	\$	\$	\$	\$
Totalizator Commission	6,677,560		8,460,302	
Tattersall Duty	6,717,216		6,294,431	
Commonwealth Recoup—Tuberculosis Arrangement	2,738,844		3,010,388	
Mental Hygiene Branch—Receipts various ..	1,826,402		1,984,562	
Health Department—Miscellaneous Receipts ..	239,220		254,866	
	<hr/>	18,199,242	<hr/>	20,004,549
<i>From the general revenues of the State—</i>				
Net Cost to Consolidated Revenue—				
Health Services (other than Mental Hygiene) ..	8,089,530		8,617,225	
Mental Hygiene Branch	14,882,508		16,274,727	
Transfers to Hospitals and Charities Fund—				
Special Appropriation (other than Totalizator and Tattersall receipts)	1,600,000		1,600,000	
Annual vote	18,320,000		20,480,000	
	<hr/>	42,892,038	<hr/>	46,971,952
		<hr/>	<hr/>	<hr/>
		61,091,280		66,976,501

LOAN FUND.

Expenditure from Loan Fund in 1965–66 on works and associated purposes amounted to \$130,847,943, an increase of \$2,993,145 over the previous year's figure of \$127,854,798. Loan moneys available to meet this expenditure were \$128,684,834 in 1964–65 and \$131,823,503 in 1965–66. The following statement shows under broad headings the major allocations in these two years of the moneys available :—

	1964-65.		Per cent. of available funds.		1965-66.		Per cent. of available funds.	
	\$	\$			\$	\$		
<i>For—Social Expenditure—</i> including expenditure on Education, Health, &c.	54,956,006		42·71		57,149,771		43·35	
<i>Services associated with Primary Production—</i> including Agriculture, Forests, Country Water Supply, &c. ..	24,971,166		19·40		25,018,822		18·98	
<i>Advances to State Electricity Commission</i>	16,000,000		12·43		15,000,000		11·38	
<i>Railways</i>	15,500,622		12·04		16,299,635		12·37	

This statement does not include loan expenditure under the Commonwealth–State Housing Agreement which, in 1965–66, amounted to \$33,566,506. The corresponding figure for 1964–65 was \$34,359,764.

At 30th June, 1966, after allowing for unexpended loan cash in hand, the State's net loan liability on account of its ordinary debt was \$1,733,093,838. At 30th June, 1965, the liability was \$1,629,075,146. The increase during the year, therefore, was \$104,018,692.

In addition, the State's liability at 30th June, 1966, to the Commonwealth under the Commonwealth–State Housing Agreement was \$392,806,928 and for special assistance loans for soldier settlement, \$13,547,120. The liabilities on account of these advances at 30th June, 1965, were \$362,734,632 and \$13,664,058 respectively.

TRUST FUND.

The Trust Fund in the Treasury comprises Trust and Special Accounts. These Accounts are discussed in detail later in this Report.

Excluding the debits and credits to certain suspense accounts, which are in the nature of clearing entries for book-keeping purposes, the debits and credits to the Funds and Accounts within the Trust Fund amounted to \$321,832,729 and \$323,284,360 respectively. The comparable figures in 1964–65 were \$316,321,886 and \$314,690,384.

Commonwealth recoups and conditional grants to the State and advances for disbursement by the State are accounted for in appropriately named accounts within the Trust Fund. The credits and debits in respect of these moneys in the past two years are summarized hereunder :—

Account or Fund.	1964-65.			1965-66.		
	Total Credits (Including Balance Forward).	Total Debits.	Balance Forward.	Total Credits (Including Balance Forward).	Total Debits.	Balance Forward.
	\$	\$	\$	\$	\$	\$
Commonwealth Aid Roads (Nos. 1-3 Accounts)	25,636,056	25,574,900	61,156	27,629,308*	27,573,774*	55,534
Commonwealth Pharmaceutical Benefits	4,589,266	4,367,532	221,734	4,221,734	4,201,113	20,621
Commonwealth Scholarships Scheme	2,777,816	2,633,518	144,298	3,287,458	3,127,124	160,334
Commonwealth—State Free Milk Scheme	2,255,228	2,255,102	126	2,386,102	2,247,941	138,161
Commonwealth—State Grants (Mental Institutions)	711,378	711,378	..	1,566,824	1,566,824	..
Commonwealth—State Housing	26,259,764	26,259,764	..	24,228,706	24,228,706	..
Home Builders	14,130,458†	14,128,510	1,948	15,504,607†	14,132,639	1,371,968
La Trobe University (Commonwealth Subsidy)	47,544	47,544	..	1,093,456	1,093,456	..
Monash University (Commonwealth Subsidy)	4,574,750	4,574,750	..	4,726,250	4,726,250	..
Petroleum Products Subsidy .. .. .	..	..	..	736,713	666,156	70,557
Rural Rehabilitation	3,953,304	..	3,953,304	4,076,314	..	4,076,314
State Grants (Science Laboratories and Technical Training)	5,625,000	2,481,762	3,143,238	6,278,539	5,804,531	474,008
University (Commonwealth Subsidy)‡	5,220,724	5,220,724	..	6,699,977	6,699,977	..
Other	1,738,998	1,389,450	349,548	1,650,051	1,255,308	394,743
	97,520,286	89,644,934	7,875,352	104,086,039	97,323,799	6,762,240

* Includes \$60,425, transferred from Commonwealth Aid Roads 1959—No. 2 Account to Commonwealth Aid Roads 1959—No. 1 Account.

† Includes repayment of advances and interest thereon and amounts lodged under the Commonwealth Home Savings Grant Scheme, 1964-65, \$5,778,160 ; 1965-66, \$6,164,860.

‡ Refers to University of Melbourne.

The particulars under 1965-66 in the above summary for State Grants (Science Laboratories and Technical Training) combine the figures for the State Grants (Science Laboratories and Technical Training) Trust Account 1964, which was established in 1964-65 to account for Commonwealth moneys received for the grants described, and two new Trust Accounts established in lieu in 1965-66 to facilitate separate accounting for science and technical training grants, respectively.

The only other new Trust Account in the summary is the Petroleum Products Subsidy Account. This Account is credited with the grants received from the Commonwealth to recoup amounts paid out by the State as subsidies on the distribution of petroleum products in country areas in accordance with a scheme formulated by the Commonwealth Minister for Customs and Excise. The scheme commenced in this State on 16th September, 1965, and payments of subsidies to 30th June, 1966, amounted to \$666,156.

Several new Trust Funds and Special Accounts for purely State purposes were opened by the Treasurer during the year. These are listed, with appropriate explanation of the purposes for which they were established, on page 75 of this Report.

The general purpose of one group of these accounts is to enable the earlier payment into the Public Account of moneys coming into the hands of departments so that greater economies or interest earnings can be obtained from the use or custody of public moneys.

Four separate Trust Accounts relating to Fisheries and Wildlife research were amalgamated in one Account—the Fisheries and Wildlife Research Trust Account.

Reference was made in the previous Report to an amount of \$3,137,940 transferred during 1964-65 to Consolidated Revenue from the Surplus Revenue Account within the Police Pensions Fund. During 1965-66, in accordance with the provisions of the *Superannuation Act* 1963 and on the basis of actuarial certification by the Government Statist, a further sum of \$9,262 was transferred to the Surplus Revenue Account within the Fund and subsequently paid to Consolidated Revenue. Also, on the same authority and basis, securities with a face value of \$4,692,800, representing, with interest accrued thereon, an amount of \$4,718,984, were transferred from the Police Pensions Fund to the State Superannuation Fund. The balance in the Police Pensions Fund at 30th June, 1966, was \$14,331,168.

CONSOLIDATED REVENUE DEFICIT ACCOUNT.

The debit balance in this Account, representing the amount of the Consolidated Revenue Deficit to 30th June, 1965, standing as a charge to Public Account, remained the same as at the close of the previous year, namely \$3,897,038.

TREASURY BALANCES.

As at 30th June, 1966, the balances at credit of Loan Fund and Trust Fund aggregated \$115,054,851. This sum was accounted for as follows :—

	\$
Cash at credit of Public Account on fixed deposit and in current account ..	49,952,125
Investments held on behalf of Trust Fund	48,378,285
Various advances—details of which are included in the summary on page 6 of the Treasurer's Finance Statement	4,692,023
Amount necessary, as indicated above, to finance temporarily the Consolidated Revenue Deficit to 30th June, 1965	3,897,038
Deficit for 1965-66, temporarily financed from Public Account	8,135,380
	115,054,851

Most of the matters outlined in this review are the subject of detailed comment in the succeeding pages.

REVENUE.

A synopsis of the Treasurer's summary of revenue appearing on pages 8-15 of the finance statement is given in the following tabular comparison for the purpose of showing the significant variations during the year.

	1964-65		1965-66		
	\$		\$		\$
State Taxes	116,093,334		123,799,887	Increase	7,706,553
Commonwealth—					
States Grants Acts	171,749,698		191,921,804	,,	20,172,106
Interest	29,202,934		32,626,103	,,	3,423,169
Water Supply (including Recoups)	10,150,288		11,325,303	,,	1,175,015
Fines	2,630,660		3,207,421	,,	576,761
Forests	5,273,736		5,664,003	,,	390,267
Lands	2,155,878		2,449,574	,,	293,696
Health	2,920,342		3,213,435	,,	293,093
State Accident Insurance—					
Appropriation Portion of Surplus ..	500,000		606,000	,,	106,000
Rents (other than Territorial) ..	901,328		940,845	,,	39,517
State Electricity Commission—Royalties ..	454,132		475,045	,,	20,913
Gas and Fuel Corporation—Dividend ..	278,348		280,969	,,	2,621
Total Increase					34,199,711
Transfers from Trust Funds	3,225,786		104,753	Decrease	3,121,033
Ports and Harbors	2,367,524		1,995,567	,,	371,957
Government Printer	2,811,928		2,653,561	,,	158,367
Recoups &c. (other than Interest and Water Supply)	11,707,768		11,556,149	,,	151,619
Mint	707,306		642,275	,,	65,031
Education	1,050,514		1,025,498	,,	25,016
Sundry	10,205,206		10,138,476	,,	66,730
Total Decrease					3,959,753
Commonwealth and States Financial Agreement (Vict.) Act No. 3554 ..	4,254,318		4,254,318	,,	..
	378,641,028		408,880,986	Increase	30,239,958
Railways	102,026,790		99,672,866	Decrease	2,353,924
	480,667,818		508,553,852	Increase	27,886,034

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* 1965—provides :—

- (i) as from and including the year 1965-66 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 in so far as they relate to a year subsequent to 1969-70.

The grant to Victoria for 1965-66 amounted to \$191,921,804. This sum was, in accordance with the statutory formula, calculated in the manner explained hereunder :—

The basic figure \$171,749,698, which was the equivalent of the amount of the State's grant for the previous year, was increased in proportion to the increase, as estimated by the Commonwealth Statistician, in the State's population during the year ended 31st December, 1965. (Under preceding legislation, calculations were based on the increase in population which had occurred in the previous financial year. In 1965-66, full-blooded aboriginal natives were included for the first time in population figures.) As the next step, the resultant figure was increased by the

percentage increase, from 1963-64 to 1964-65, in the average wages per person employed throughout Australia. (In determining the average wages, the mean number of females included was reduced from 60 per cent. under the 1959 Act to 55 per cent. under the 1965 Act). The third step was to increase the figure arrived at in the second step by 1.2 per cent. (the "betterment" factor) and the final step to add to the cumulative figure \$1,200,000.

The basic figure was, at the completion of the first step, increased by \$3,932,896 ; at the completion of the second step, by an additional amount of \$12,777,687 ; at the completion of the third step, by a further \$2,261,523 and finally, as provided in the Act, by a further \$1,200,000. On the basis of the combined result of the four steps, Victoria's grant for 1965-66 was in excess of that for the previous year by \$20,172,106.

Commonwealth grants to Victoria in the nature of tax reimbursement or financial assistance grants from and inclusive of 1958-59 are compared hereunder :—

Year.		Grant.
		\$
1958-59	*Tax Reimbursement and Supplementary Grants	109,165,040
1959-60	Financial Assistance Grant	121,250,000
1960-61	Financial Assistance Grant	134,742,684
1961-62	Financial Assistance Grant	146,028,952
	Additional Assistance Grant	3,600,000
1962-63	Financial Assistance Grant	152,266,710
	Additional Assistance Grant	7,454,000
1963-64	Financial Assistance Grant	159,482,498
	Additional Assistance Grant	10,280,000
1964-65	Financial Assistance Grant	171,749,698
1965-66	Financial Assistance Grant	191,921,804

* For comparative details of earlier Commonwealth Tax Reimbursements and Supplementary Grants—see table at page 11 of the 1958-59 Report.

COMMONWEALTH FINANCIAL ASSISTANCE IN CONNEXION WITH THE MEASUREMENT AND INVESTIGATION OF STATE WATER RESOURCES.

The Commonwealth's States Grants (Water Resources) Act 1964 provides, *inter alia*, that, where a State furnishes to the Treasurer of the Commonwealth such information as is required by him with respect to the totals of its capital and operational expenditure during each year over the period 1964-65 to 1966-67 (inclusive) in connexion with the measurement of the discharge of its rivers and on the investigation and measurement of its underground water resources, there is payable to such State in respect of that year financial assistance determined in terms of the legislation.

During 1965-66, Victoria received from the Commonwealth an advance of \$79,620 pending final determination of the grants due to it pursuant to the provisions of the legislation outlined above. This advance has been paid to the credit of Consolidated Revenue.

The grants will be finally determined on the basis of the appropriate information furnished by the State, which will be supplied by the several State authorities concerned including the State Rivers and Water Supply Commission and the Mines Department. Such basic information will be subject to my verification and certification in accordance with the provisions of Section 7 of the Act.

STATE TAXES.

Classifications under Revenue, No. 1 Taxation, in the Treasurer's Accounts are : Direct taxation, revenue under the Stamps Acts, collections from registrations, &c., of shops and factories, &c., and proceeds of licences issued under State laws. 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, Turnover Tax on Bookmakers' Transactions and Stamp Duty on Bookmakers', &c., Certificates. 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.	1962-63	1963-64	1964-65	1965-66
	\$	\$	\$	\$
Direct	55,228,652	62,269,432	67,428,424	69,411,392
Stamps Acts*	28,475,830	32,067,518	39,798,302	44,237,488
Registrations, &c.	358,742	452,456	592,014	686,816
Licences	7,077,474	7,154,816	8,274,594	9,464,191
Total Taxation ..	91,140,698	101,944,222	116,093,334	123,799,887

* Includes stamp duty on Bookmakers', &c., Certificates brought to account by the Treasury up to and inclusive of 1962-63 under the sub-head "Licences".

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 past four years of collections of Probate Duty, Land Tax, and Entertainments Tax.

—	1962-63	1963-64	1964-65	1965-66
	\$	\$	\$	\$
Probate Duty	24,642,726	29,452,518	31,614,290	32,002,537
Land Tax	17,089,878	18,264,966	19,724,940	19,880,730
Entertainments Tax	1,222,548	512,242	516,226	502,000

Probate Duty.—Duty for 1965-66 amounting to \$31,629,734 was collected by the Commissioner of Probate Duties and \$372,803 by the Public Trustee. The aggregate value of new estates assessed decreased from \$242 million in 1964-65 to \$236 million in 1965-66.

The end-of-the-year position, as indicated by the comparative summary hereunder, influences the State's annual collections from Probate Duty :—

Duty assessed but uncollected—

As at 30.6.63—\$3,883,936 ; collected—\$3,732,090 in 1963-64.

As at 30.6.64—\$2,298,728 ; collected—\$2,110,474 in 1964-65.

As at 30.6.65—\$3,416,962 ; collected—\$3,134,990 in 1965-66.

As at 30.6.66—\$2,927,225 ; to be collected in 1966-67.

Land Tax.—As indicated in the comparative statement, receipts from Land Tax increased by \$155,790.

The Land Tax (Rates) Act 1965, No. 7352, fixed rates of tax in terms equivalent to those applicable in the previous year.

Entertainments Tax.—The comparatively small collections from this source in the past three years—\$512,242 in 1963-64, \$516,226 in 1964-65 and \$502,000 in 1965-66—reflect the effect of legislation which, as from 29th December, 1962, abolished tax on all classes of entertainment except race-meetings to which Part I. of the *Racing Act 1958* applies.

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

	1962-63	1963-64	1964-65	1965-66
	\$	\$	\$	\$
Duty Stamps	19,667,754	22,827,480	29,832,316	33,313,411
Insurance Licences	5,754,988	6,087,484	6,734,708	7,697,482
Betting Tax	2,758,242	2,848,144	2,917,332	2,920,754
Betting Tickets	212,640	225,484	228,976	213,654
Bookmakers', &c., Certificates	82,206	78,926	84,970	92,187
Total	28,475,830*	32,067,518	39,798,302	44,237,488

* Excluding collections 28th June, 1963, \$131,854.

As indicated in the preceding statement, revenue from "Duty Stamps" was in excess of that for the previous year by \$3,481,095. The increase reflects, for the first time, the result of a full year's operation of the provisions of the *Stamps (Motor Car) Act* 1964, No. 7193. Duty from this source from 14th December, 1964 to 30th June, 1965, was \$2,424,559 and in 1965-66 \$4,843,835.

Increases resulting from a full year's operation of the provisions of the *Stamps Act* 1964, No. 7204, according to statistical records of the Stamps Office—which are kept on a gross basis but which overall have been reconciled with the relevant Treasury record—include :—

	\$
(i) duty on securities by way of mortgage or charge	911,674
(ii) duty on life insurance contracts	296,148
(iii) duty on cheques (printed)	849,880
(iv) bulk receipt duty	278,197

These increases were offset by a substantial drop in revenue from the following sources :—

	\$
(i) duty on hire purchase contracts (approved vendors)	363,316
(ii) adhesive duty stamps	556,146
(iii) duty on share sales	212,029

Other variations in revenue from "Duty Stamps", both increases and decreases, were not significant.

The *Stamps (Bills of Exchange) Act* 1965, No. 7359, provided for a halving of duty imposed on Bills of Exchange and Promissory Notes from 14th February, 1966.

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

	1962-63	1963-64	1964-65	1965-66
	\$	\$	\$	\$
Fees, Titles Office	1,506,068	1,800,848	1,867,662	1,830,640
„ Registrar of Companies	818,446*	987,012	1,088,266	958,315†
„ Registrar-General	69,794	76,574	78,844	81,016
Total	2,394,308	2,864,434	3,034,772	2,869,971

* Excluding cash in transit to Treasury on 30th June, 1963, \$24,054.

† Excluding cash in transit to Treasury on 30th June, 1966, \$12,056.

The lower revenue from Titles Office fees was due to the decrease in the number of lodgments from 287,427 in 1964-65 to 279,503 in 1965-66.

The decrease in revenue collected at the Companies Office was caused by a decrease in the number of documents filed under the Business Names Act and, despite a rise in the number of documents filed under the Companies Act, the lower nominal capital of new companies registered under that Act. Statistics furnished by the Registrar of Companies showed the relevant figures to be :—

	1962-63.	1963-64.	1964-65.	1965-66.
Number of documents filed—Business Names Act ..	19,072	27,744	39,656	26,683
Number of documents filed—Companies Act ..	81,645	93,004	95,809	107,781
Nominal Capital of New Companies (\$m.) ..	550	322	402	345

Motor Car—Drivers' Licence Fees.—Collections in respect of fees paid on the issue of motor car drivers' licences are apportioned, in accordance with the provisions of the *Motor Car Act 1958* as amended by the *Motor Car (Fines and Drivers' Licence Fees) Act 1964*, as to one half, equally between the Country Roads Board Fund and the Municipalities Assistance Fund and, as to the other half, in the absence of specific direction as to the disposal thereof, to Consolidated Revenue. Costs of collection of these fees are also apportioned between the two Funds and Consolidated Revenue on the same basis.

After recouping the Country Roads Board Fund the required proportion of the costs of collection, \$118,291, net collections credited to Consolidated Revenue on this account, in 1965-66, amounted to \$1,302,960.

Motor Car Third-party Insurance.—In conformity with the requirements of the *Motor Car (Insurance Surcharge) Act 1959*, as amended, an additional fee of \$2 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 1965-66 was \$2,271,383 as compared with \$2,176,762 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 :—

—	50c Units.	\$1 Units.	\$2 Units.	\$4 Units.	\$5 Units.	\$10 Units.	Subscriptions.
							\$
1954-55	142	3	6	..	..	..	16,626,782
1955-56	149	10	7	..	..	..	17,700,000
1956-57	148	7	3	..	..	2	18,500,000
1957-58	152	9	7	..	..	..	17,900,000
1958-59	148	7	6	..	..	..	17,500,000
1959-60	158	10	5	..	..	..	18,600,000
1960-61	163	7	7	1	..	..	20,800,000
1961-62	160	6	8	..	..	..	19,400,000
1962-63	152	8	6	2	..	..	20,200,000
1963-64	153	7	6	4	..	..	20,900,000
1964-65	151	8	7	4	..	..	21,288,000
1965-66	145	10	6	1	1	..	20,100,000
	1,821	92	74	12	1	2	229,514,782

In 1965-66, three of the \$2 consultations were for 100,000 units. Each of the other consultations consisted of 200,000 units.

Duty equivalent to 31 per cent. 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 :—

	1963-64.	1964-65.	1965-66.
	\$	\$	\$
Duty payable	6,608,564	6,713,082	6,322,795
Less amounts due for consultations drawn but payable in July of succeeding year	97,530	95,372	126,090
	6,511,034	6,617,710	6,196,705
Plus amounts paid and exchange credited in July on account of previous year	111,854	111,668	107,535
	6,622,888	6,729,378	6,304,240
Less exchange on balance held in New Zealand as at 30th June	14,138	12,162	9,809
Amount of duty shown in Treasurer's accounts	6,608,750	6,717,216	6,294,431

In terms of the agreement entered into with the Government of Tasmania in 1960, particulars of which have been given in previous reports, payments to that Government of its share of duty on the sale of tickets in Tasmania by Tattersall Consultations amounted to \$152,338 compared with \$146,500 in the previous year.

As at 30th June, 1966, the Tasmanian share of duty for consultations drawn late in May and in June amounted to \$11,815. This amount together with the relevant duty for July and August was paid to the Tasmanian Government after the close of the year.

A somewhat similar agreement has, since 1954, existed with the Government of New Zealand. This agreement, which was originally for ten years, was extended for three years from 1st July, 1964.

With respect to the subscriptions in New Zealand, 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 30th June, 1966, the balance in this account was £17,952 (N.Z. currency).*

Payments to the Government of New Zealand during the year amounted to \$251,835 compared with \$307,170 in 1964-65.

As at 30th June, 1966, an amount of \$51,178, equivalent to £20,685 (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, 1966, were, respectively, \$67,560,416, \$4,688,387 and \$813,313.

By authority of Act No. 7196, a condition was inserted in Tattersall's licence authorizing the conduct of jackpot consultations. If the jackpot prize is not won, in a direct manner, in any one of the five jackpot consultations in a series, it increases over the series. Then, in the fifth and final consultation of the series, the cumulative prize is distributed according to pre-determined conditions.

* Excludes cash in transit, etc.

In terms of the licence, the prizes paid by the promoter must, in respect of each series of jackpot consultations, be not less than 60 per cent. of the total subscriptions thereto and, in respect of all other consultations, not less than 60 per cent. of the total amount of subscriptions to each of these consultations. Regarding New Zealand and Australian subscriptions as equivalent "units of account", the preceding conditions are being fulfilled.

Unpaid prizes for consultations drawn in each year during the period 1954–55 to 1962–63 (inclusive) amounted to \$154,523. 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.

Totalizator.—In recent years, the statutory provisions pertaining to totalizators have been varied as outlined below :—

- (1) The *Racing (Totalizators Extension) Act* 1960 provided, *inter alia*, for the establishment of the Totalizator Agency Board and authorized off-course betting on racecourse totalizators.
- (2) The *Racing (Off-course Doubles Totalizators) Act* 1961 permitted the operation of off-course doubles totalizators.
- (3) The *Racing (Totalizators) Act* 1963 authorized, *inter alia*, the conduct of off-course totalizators on interstate horse-races.
- (4) The *Racing (Interstate Totalizators) Act* 1964, empowered the Totalizator Agency Board, with the approval of the Minister, to enter into any agreement or arrangement for the provision of off-course totalizator facilities in any other State or Territory of the Commonwealth where such facilities may be provided.
- (5) The *Racing (Amendment) Act* 1964 authorized, *inter alia*, off-course totalizator betting on races conducted in New Zealand.
- (6) The *Racing (Dog Racing) Act* 1965, proclaimed by the Governor in Council to operate from 1st March, 1966, extended off-course totalizator betting to dog-racing.

On 15th October, 1964, as empowered by the *Racing (Interstate Totalizators) Act* 1964, the Totalizator Agency Board entered into an agreement with the Australian Capital Territory Totalizator Agency Board (Actab) for off-course betting, by persons in the Australian Capital Territory, on totalizators in Victoria.

By legislative direction, a commission, being a percentage of investments, is deducted from all totalizator pools. As from 26th October, 1965, by the provisions of the *Racing (Totalizator Percentages) Act* 1965, this percentage was increased from twelve per cent. to twelve and one half per cent. The resultant sum is divided as follows :—

1. On-course totalizators—
 - (i) at metropolitan meetings—
 - (a) to Consolidated Revenue—in respect of doubles and quinella totalizators, nine twenty-fifths ; and in respect of win and place totalizators, three-fifths ;
 - (b) to the racing club concerned—the remaining proportion in each case, i.e., sixteen twenty-fifths in respect of doubles and quinella totalizators and two-fifths in respect of win and place totalizators ;
 - (ii) at country meetings, in respect of all types of totalizators—
 - (a) to Consolidated Revenue—one-fifth ;
 - (b) to the racing club concerned—four-fifths.
2. Off-course totalizators—
 - (i) Commission derived from Victorian investments—
 - (a) to Consolidated Revenue—seventeen-fiftieths ;
 - (b) 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—one-fiftieth ; and
 - (c) to the Totalizator Agency Board to be expended in terms of the *Racing Act* 1958—the remaining sixteen twenty-fifths.

* 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 nine twenty-fifths.

(ii) Commission derived from Australian Capital Territory investments—

(a) to Consolidated Revenue—three twenty-fifths.

(b) to the Australian Capital Territory Totalizator Agency Board—the remaining twenty-two twenty-fifths.

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

	1964-65.			1965-66.		
	Horse Races.	Dog Races.	Total.	Horse Races.	Dog Races.	Total.
	\$	\$	\$	\$	\$	\$
PERCENTAGE—						
<i>Win and Place—</i>						
<i>Metropolitan—</i>						
On-course	962,552	51,832	..	1,011,108	54,195	..
Off-course	1,237,674	..	..	1,468,500	28,942	..
Actab	2,108	..	..	6,205	..	..
<i>Country—</i>						
On-course	79,404	1,884	..	105,249	2,644	..
Off-course	776,410	..	..	942,471	..	..
Actab	560	..	..	1,807	..	..
<i>Interstate—</i>						
On-course	97,100	..	..	122,184	..	..
Off-course	213,902	..	..	285,844	..	..
Actab	476	..	..	145	..	..
<i>Doubles and Quinella—</i>						
<i>Metropolitan—</i>						
On-course	417,074	76,836	..	423,309	85,627	..
Off-course	105,512	..	..	124,604	..	..
Actab	28	..	..	216	..	..
<i>Country—</i>						
On-course	39,678	2,822	..	45,934	5,043	..
Off-course .. ..	..	..	..	..	..	..
Actab .. ..	..	..	..	..	..	..
<i>Daily and Feature Doubles—</i>						
Off-course	1,744,838	..	..	2,305,921	48,467	..
Actab	1,352	..	..	3,988	..	..
	5,678,668	133,374	5,812,042	6,847,485	224,918	7,072,403
FRACTIONS—						
<i>Win and Place—</i>						
Metropolitan	383,752	11,872	..	647,546	13,523	..
Country	233,320	1,476	..	386,577	1,885	..
Interstate	48,616	..	..	114,565	..	..
<i>Doubles and Quinella—</i>						
Metropolitan	20,870	8,762	..	26,994	9,499	..
Country	5,742	310	..	7,229	761	..
<i>Daily and Feature Doubles</i>	61,556	..	..	87,283	..	..
	753,856	22,420	776,276	1,270,194	25,668	1,295,862
DIVIDENDS UNCLAIMED .. ..	..	..	89,242	..	..	92,037
CREDIT TO CONSOLIDATED REVENUE .. ..	..	..	6,677,560*	..	..	8,460,302*

* On-course—1964-65, \$2,594,700 ; 1965-66, \$3,243,192.

Off-course—1964-65, \$4,078,336 ; 1965-66, \$5,204,749.

Actab—1964-65, \$4,524 ; 1965-66, \$12,361.

The credit to Consolidated Revenue 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 above-mentioned credits, an amount of \$317,401 was credited to the Totalizator Agency Board Trust Account for distribution to racing clubs in the terms of the *Racing (Totalizators Extension) Act 1960*.

Licensing Fund Payment.—The revenue of the Licensing Fund consists mainly of fees charged to licensed victuallers (\$5,780,451), spirit merchants and grocers (\$1,602,573), and clubs (\$386,838).

In accordance with the provisions of the *Licensing Act* 1958, the surplus of receipts over payments for 1965–66 was transferred to Consolidated Revenue.

A comparative statement of receipts and payments of the Licensing Fund covering the period 1st July, 1963, to 30th June, 1966, is given hereunder :—

	1963–64	1964–65	1965–66
	\$	\$	\$
Balance 1st July	661,471	661,471	661,471
<i>Receipts—</i>			
Licences and Club Certificates	6,903,640	7,416,180	7,885,806
Permits	100,488	108,154	145,080
Fees and Fines	65,728	63,966	65,661
Interest on Investments	20,104	20,104	20,104
Miscellaneous	2,594	1,202	1,814
<i>Total Receipts for the Year</i>	7,092,554	7,609,606	8,118,465
<i>Payments—</i>			
Salaries and other Administrative Expenses	159,632	168,016	174,281
Cost of policing Act	130,160	140,040	132,402
Payments to Municipalities	112,488	111,888	111,416
Liquor Referendum .. .. .	..	378	1,243
Payment to Police Superannuation Fund	46,000	46,000	46,000
Compensation	5,450	4,100	5,110
<i>Total Payments for the Year</i>	453,730	470,422	470,452
<i>Transfer to Consolidated Revenue</i>	6,638,824	7,139,184	7,648,013
Balance 30th June	661,471	661,471	661,471
<i>Percentage of Revenue Transfer to Total Receipts</i> ..	93.6	93.8	94.2

The following statement shows the variations of Revenue Receipts from the Budget Estimate in 1965-66.

—	Budget Estimate.	Revenue.	Excess + Deficiency—
PART I.	\$	\$	\$
State Taxes—			
Probate Duty	34,000,000	32,002,537	1,997,463—
Land Tax	19,800,000	19,880,730	80,730+
Entertainments Tax	530,000	502,000	28,000—
Motor Car Third-party Insurance	2,260,000	2,271,383	11,383+
Totalizator	7,500,000	8,460,302	960,302+
Tattersall Duty	6,720,000	6,294,431	425,569—
Betting and Bookmakers' Turnover Tax	3,296,000	3,226,595	69,405—
Duty on Insurance Business	7,300,000	7,697,482	397,482+
Stamp Duty	35,600,000	33,313,411	2,286,589—
Registration Fees—Factories, Shops &c.	720,000	686,816	33,184—
Licensing Fund Payment	7,500,000	7,648,013	148,013+
Auctioneers' and other Licences	1,724,000	1,816,178	92,178+
Interest	31,830,400	32,626,103	795,703+
Territorial	7,179,000	7,566,578	387,578+
Water and other State Works	15,254,000	15,890,786	636,786+
Ports and Harbors	2,204,000	1,995,567	208,433—
Fines	3,428,000	3,207,421	220,579—
Fees—Titles Office and Registrar-General, &c.	4,017,000	3,825,677	191,323—
Departmental	12,880,000	12,748,508	131,492—
Housing Agreement	2,972,000	2,965,991	6,009—
Recoup Sinking Fund Contributions	870,000	862,941	7,059—
Recoup Exchange, &c.	324,000	316,799	7,201—
Commonwealth Financial Agreement	4,254,318	4,254,318	..
Commonwealth States Grants Act 1965	191,908,000	191,921,804	13,804+
Recoup Administrative Expenses	2,200,000	2,333,769	133,769+
Repayment of Advances—Home Builders	383,000	389,195	6,195+
Rents, &c.	930,000	940,845	10,845+
Mint	600,000	642,275	42,275+
Other Receipts	2,403,794	2,592,531	188,737+
Total Revenue Part I.	410,587,512	408,880,986	1,706,526—
PART II.			
Railways	105,200,000	99,672,866	5,527,134—
Total Revenue	515,787,512	508,553,852	7,233,660—

EXPENDITURE.

The expenditure charged against revenue was more than the outlay for 1964-65 by the amount of \$36,021,414. A comparison of the figures for the two years under the separate divisions of votes and special appropriations is given in the following statement :—

Votes—Part I.—	1964-65 \$	1965-66 \$		\$
Education	112,031,424	124,761,448	Increase	12,730,024
Chief Secretary ‡	31,408,423	33,060,465	,,	1,652,042
Health	45,264,788	49,734,392	,,	4,469,604
Treasurer	20,212,744	22,339,134	,,	2,126,390
Attorney-General	6,170,710	6,437,695	,,	266,985
Agriculture	6,311,942	6,661,905	,,	349,963
Water Supply	9,942,158	10,496,160	,,	554,002
Labour and Industry	940,966	1,058,059	,,	117,093
Local Government ϕ	473,752	550,006	,,	76,254
Parliament	452,616	469,720	,,	17,104
Mines §	996,455	1,026,031	,,	29,576
Public Works	7,021,654	7,370,231	,,	348,577
Lands and Survey	3,058,666	3,307,034	,,	248,368
Forests	3,027,978	3,170,522	,,	142,544
Premier	2,183,712	2,414,268	,,	230,556
Other	103,476	128,758	,,	25,282
State Coal Mine	854,684	785,442	Decrease	69,242
	<u>250,456,148</u>	<u>273,771,270</u>	Increase	<u>23,315,122</u>
<i>Special Appropriations—Part I.—</i>				
Interest Including Exchange*	86,173,760	92,977,976	Increase	6,804,216
National Debt Sinking Fund	15,427,178	16,514,342	,,	1,087,164
<i>Repayment of Advances—</i>				
<i>Commonwealth—State Housing Agreement and Commonwealth—State Soldier Settlement Account</i>				
	3,168,692	3,472,123	,,	303,431
Loan Expenses	46,006	76,706	,,	30,700
Total Debt Charges	<u>104,815,636</u>	<u>113,041,147</u>	,,	<u>8,225,511</u>
Less Charged to Railways and included in Part II.	3,185,630	4,030,673	,,	845,043
	<u>101,630,006</u>	<u>109,010,474</u>	,,	<u>7,380,468</u>
Charities Fund (Totalizator)	6,677,560	8,460,302	,,	1,782,742
Endowments and Grants	4,093,678	4,621,597	,,	527,919
Charities and Mental Funds (Tattersall)	6,717,216	6,294,431	Decrease	422,785
Pensions	5,353,088	6,211,870	Increase	858,782
Other	3,084,754	3,137,488	,,	52,734
	<u>127,556,302</u>	<u>137,736,162</u>	,,	<u>10,179,860</u>
Votes—Part II.—Railways	94,162,648	95,766,979	,,	1,604,331
<i>Special Appropriations—Part II.—</i>				
Railway Debt Charges	3,185,630	4,030,673	,,	845,043
Railways—other than Railway Debt Charges	5,307,090	5,384,148	,,	77,058
	<u>102,655,368</u>	<u>105,181,800</u>	,,	<u>2,526,432</u>
Grand Total †	<u>480,667,818</u>	<u>516,689,232</u>	,,	<u>36,021,414</u>

* Additional interest voted in 1964-65, \$70,958, and in 1965-66, \$77,899.

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

‡ For comparative purposes excludes Weights and Measures, Explosives and Gas Regulation expenditure.

ϕ For comparative purposes includes Weights and Measures expenditure.

§ For comparative purposes includes Explosives and Gas Regulation expenditure.

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.

In the synopsis hereunder, the actual expenditure for the year is compared with the amounts appropriated for the various Departments and Services.

	Appropriations.	Expended Under Parliamentary Authority.	Unexpended.	Expended From Treasurer's Advance.	Expenditure for the Year.
	\$	\$	\$	\$	\$
<i>Votes.—Part I.</i>					
Parliament	466,678	464,495	2,183	5,225	469,720
Premier	2,453,256	2,373,087	80,169	41,181	2,414,268
Chief Secretary	32,950,778	32,766,218	184,560	294,247	33,060,465
Labour and Industry	1,065,172	1,033,346	31,826	24,713	1,058,059
Education	125,724,166	124,330,006	1,394,160	431,442	124,761,448
Attorney-General	6,478,744	6,377,091	101,653	60,604	6,437,695
Treasurer	22,609,348	21,908,705	700,643	430,429	22,339,134
Lands and Survey	3,265,984	3,217,818	48,166	89,216	3,307,034
Public Works	7,314,792	7,253,722	61,070	116,509	7,370,231
Local Government	550,452	538,530	11,922	11,476	550,006
Mines	1,034,804	1,009,849	24,955	16,182	1,026,031
Agriculture	6,724,456	6,581,818	142,638	80,087	6,661,905
Health	49,533,110	49,395,378	137,732	339,014	49,734,392
Fuel and Power .. .. .	..	..	..	6,533	6,533
Railway Construction	98,342	98,154	188	1,214	99,368
Transport	24,122	22,857	1,265	..	22,857
Forests	3,030,402	3,029,929	473	140,593	3,170,522
Water Supply	10,410,446	10,398,178	12,268	97,982	10,496,160
State Coal Mine	821,676	780,186	41,490	5,256	785,442
	274,556,728	271,579,367	2,977,361	2,191,903	273,771,270
<i>Votes.—Part II.</i>					
Railways	97,212,734	95,766,978	1,445,756	1	95,766,979
Total Votes	371,769,462	367,346,345	4,423,117	2,191,904	369,538,249
<i>Special Appropriations—</i>					
Part I.	137,736,162	137,736,162	..	..	137,736,162
Part II.	9,414,821	9,414,821	..	..	9,414,821
Total Special Appropriations	147,150,983	147,150,983	..	..	147,150,983
Grand Total	518,920,445	514,497,328	4,423,117	2,191,904	516,689,232

LOAN FUND.

The State incurred additional loan liability of \$121,480,205 on account of moneys raised for works and associated purposes during the year, compared with \$121,091,700 in the previous year—an increase of \$388,505. The sources of the funds were—five public loans in Australia, one 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 \$130,847,943.

These transactions may be summarized as follows :—

Liability—	\$
Australian and New York Loans	121,480,205
<i>Less—</i>	
Discounts capitalized	153,322
Expenses of Flotation, &c.	358,642
	511,964
	120,968,241
Premium on Exchange—New York	1,879,117
Balance forward 1st July, 1965	830,036
Repayments	8,146,109
	131,823,503
<i>Works—</i>	
Under Parliamentary Authority	130,735,636
Charged to Treasurer's Advance pending Authority	112,307
	130,847,943
Loan Cash on Hand at 30th June, 1966	975,560

The above statement takes no account of \$33,566,506 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 \$392,806,928. There is also a liability to the Commonwealth of \$13,547,120 on account of special assistance loans for Soldier Settlement. In a consideration of the debt position of the State, cognizance must be taken of these liabilities.

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.	5 Per Cent.	5½ Per Cent.	5¼ Per Cent.	Special Bonds.	Price of Issue.	Date of Maturity.
	\$	\$	\$	\$	\$	
No. 156 ..	8,208,000	..	..	..	Par.	15.5.68
	3,634,000	..	..	..	99.00	15.2.75
No. 158 ..	..	8,076,000	..	..	Par.	15.5.85
	3,748,000	..	..	..	Par.	15.5.68
No. 160 ..	2,432,000	..	..	..	99.00	15.8.75
	..	5,634,000	..	..	Par.	15.11.87
No. 161 ..	17,779,000	..	..	..	Par.	15.2.69
	2,288,000	..	..	..	99.00	15.11.75
No. 163 ..	..	16,312,000	..	..	Par.	15.11.87
	4,984,000	..	..	..	Par.	15.7.69
New York Series L. Series M. ..	1,612,000	..	..	..	99.00	15.11.75
	..	6,046,000	..	..	Par.	15.11.87
No. 163 ..	14,904,000	..	..	..	Par.	15.7.69
	4,968,000	..	..	..	99.00	15.11.75
New York Series L. Series M. ..	..	15,111,674	..	..	Par.	15.11.87
	..	..	1,592,931	..	99.75	1.11.85
New York Series L. Series M. ..	..	..	..	3,637,000	Par.	1.10.72
	..	..	..	513,600	Par.	1.8.73
	64,557,000	51,179,674	1,592,931	4,150,600		

Expenses associated with the raising of loans for works purposes were met from the Loan Fund, a total amount of \$358,632 being so charged during the year. Of this sum, \$330,220 was in respect of loans raised in the year, and \$28,412 related to loans raised in 1964-65. The expenses in respect of loans Nos. 161 and 163 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 1965-66 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.		5 Per Cent.	5½ Per Cent.	Special Bonds.		
	\$	\$	\$	\$	\$	\$	
4½ per cent. 15.8.65	34,730,000	3,696,000(a)	19,348,000	..	..	Par.	15.5.68
	..	..	6,032,000	..	..	99	15.2.75
	..	..	..	5,580,000	..	Par.	15.5.85
	..	..	..	..	74,000	Par.	1.10.72
3½ per cent. 15.11.65	16,694,700	2,186,700(a)	3,428,000	..	..	Par.	15.5.68
	..	6,080,000(b)	1,176,000	..	..	99	15.8.75
	..	..	..	2,824,000	..	Par.	15.11.87
	..	..	..	..	1,000,000	Par.	1.10.72
4½ per cent. 15.11.65	32,833,300	1,461,300(a)	1,908,000	..	..	Par.	15.5.68
	..	2,940,000(b)	11,076,000	..	..	99	15.8.75
	..	..	..	14,604,000	..	Par.	15.11.87
	..	..	..	..	844,000	Par.	1.10.72
3½ per cent. 15.12.65	29,682,840	3,028,660(a)	11,612,000	..	..	Par.	15.5.68
	..	3,502,180(b)	5,402,000	..	..	99	15.8.75
	..	..	..	4,964,000	..	Par.	15.11.87
	..	..	..	..	1,174,000	Par.	1.10.72
5 per cent. 1.1.66	5,435,020	..	..	..	5,435,020	Par.	1.10.72
4 per cent. 15.5.66	47,902,000	2,023,000(a)	21,857,000	..	..	Par.	15.7.69
	..	..	16,408,000	..	..	99	15.11.75
	..	..	..	7,495,000	..	Par.	15.11.87
	..	..	..	..	119,000	Par.	1.8.73
4½ per cent. 15.5.66	30,090,000	3,077,000(a)	8,303,000	..	..	Par.	15.7.69
	..	..	1,747,000	..	..	99	15.11.75
	..	..	..	16,929,000	..	Par.	15.11.87
	..	..	..	..	34,000	Par.	1.8.73
	197,367,860	15,472,660(a) 12,522,180(b)	108,297,000	52,396,000	8,680,020		

Loan proceeds were applied to the redemption of securities having a face value of \$15,623,261. Details are :—

Value of Securities Redeemed.	Securities Issued.			
	5 Per Cent.	5½ Per Cent.	Price of Issue.	Date of Maturity.
\$	\$	\$	\$	
3,101,081	1,236,000	..	Par.	15.5.68
	802,000	..	99	15.8.75
	..	1,858,000	Par.	15.11.87
12,522,180	3,982,000	..	Par.	15.5.68
	2,582,000	..	99	15.8.75
	..	5,984,000	Par.	15.11.87
15,623,261	8,602,000	7,842,000		

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

Series.	Redeemed.			Funds Provided by—	
	Maturing.	Face Value.	At Cost of—	Series " L ".	Series " M ".
		\$	\$	\$	\$
A	1.1.66	1,579,800	1,625,762	1,625,762	..
B	1.10.66	351,700	358,734	263,568	95,166
C	1.6.67	209,300	213,486	153,408	60,078
D	1.1.68	169,000	171,386	123,854	47,532
E	1.6.68	93,600	95,472	68,952	26,520
F	1.1.69	397,900	403,386	310,668	92,718
G	1.10.69	521,400	526,614	414,100	112,514
H	1.6.70	532,200	532,200	431,200	101,000
I	1.10.70	1,283,200	1,283,200	1,020,800	262,400
J	1.6.71	561,300	561,300	475,200	86,100
K	1.1.72	1,944,100	1,944,100	1,605,600	338,500
L	1.10.72	45,600	45,600	..	45,600
	..	7,689,100	7,761,240	6,493,112	1,268,128

Public Debt under the Financial Agreement.—The Public Debt statement in the Treasurer's Finance Statement discloses that the Public Debt increased during the year by \$103,277,241 and that the total amount of the indebtedness under the Financial Agreement at 30th June, 1966, amounted to \$1,734,280,380. Of this, \$1,626,901,161 represented internal and \$107,379,219 external borrowing.

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 \$1,734,069,398. This sum was accounted for in the Treasurer's Statements as follows :—

Total liability apportioned between the various services of the State on account of expenditure from Loan Fund	\$	\$
	..	2,000,962,444
Plus—Unapportioned Liability—Loan Cash on Hand .. .. .	..	975,560
		<u>2,001,938,004</u>
Less—Exchange premium—		
London	4,275,725	
New York	20,539,954	
Canada	2,058,613	
Switzerland	1,626,859	
Netherlands	690,001	
		<u>29,191,152</u>
		1,972,746,852
Less—Equity in National Debt Sinking Fund—Cancelled Securities .. .. .	..	238,466,472
		<u>1,734,280,380</u>
Less—Share of Cash—National Debt Sinking Fund .. .. .	..	210,982
		<u>1,734,069,398</u>

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

	\$	\$
Interest—On Funded Debt	76,650,357	
Loan Management and Expenses of Paying Interest	275,868	
Exchange on Overseas Interest	2,344,492	
		<u>79,270,717</u>
Total Interest (excluding interest on Commonwealth advances for Housing and Soldier Settlement and interest paid on Deposits) .. .. .	..	79,270,717
Sinking Fund—State's contributions to National Debt Sinking Fund—for details see section on the National Debt Sinking Fund .. .. .	..	16,514,342
		<u>95,785,059</u>
Total Debt Charges .. .. .	..	95,785,059
The comparable figure for the previous year was .. .. .	..	<u>88,940,228</u>

Loan Expenditure.—The net loan expenditure in the year 1965–66 according to Treasury records was \$130,847,943 compared with \$127,854,798 for 1964–65 and \$117,750,330 for 1963–64. Details of this loan expenditure together with advances made by the Commonwealth to the State for loan expenditure under the Commonwealth–State Housing Agreement are shown below :—

	1963–64	1964–65	1965–66
	\$	\$	\$
Railways	15,620,370	15,500,622	16,299,635
Water Supply	17,191,672	17,895,858	17,953,147
Forests	2,025,464	2,091,804	2,076,932
Agriculture	1,121,406	1,003,780	1,114,998
Country Roads	666,000	1,462,000	1,787,600
Dredges	530,018	1,146,762	342,769
King-street Bridge	142,360	Cr. 167,550	496,563
Social Welfare	1,113,553	1,360,473	1,857,103
Electricity Commission	16,000,000	16,000,000	15,000,000
Gas and Fuel Corporation	60,000	80,000	60,000
Westernport Development	169,960	2,768,916	2,615,290
Advances—Sundry	378,372	835,296	1,259,286
Country Sewerage	1,210,096	1,209,662	986,300
Hospitals	11,382,228	11,421,986	11,050,000
Mental Hospitals	3,519,888	4,128,654	5,122,695
Municipal Subsidies	1,711,112	2,234,124	2,044,186
Police Buildings	980,280	1,034,392	905,704
Rural Finance	1,300,000	980,000	1,216,618
Sanatoria, &c.	192,126	548,256	1,053,832
School Buildings	24,374,698	25,648,964	26,409,083
Soldier Settlement	185,468	77,898	64,295
Land Settlement	2,272,302	2,429,572	2,531,897
Slum Reclamation	1,638,854	1,675,184	1,803,445
Universities—			
La Trobe .. .. .	..	61,140	820,000
Melbourne	1,493,358	918,550	1,894,000
Monash	1,615,450	2,740,000	1,690,000
National Art Gallery and Cultural Centre	1,640,000	1,600,000	1,664,000
Public Offices	2,514,948	2,684,546	3,813,896
Vermin and Noxious Weeds	1,658,236	1,993,146	1,863,657
Other Public Works	5,042,111	6,490,763	5,051,012
Total within Financial Agreement	117,750,330	127,854,798	130,847,943
Commonwealth–State Housing Agreement	27,627,500	34,359,764	33,566,506
	<u>145,377,830</u>	<u>162,214,562</u>	<u>164,414,449</u>

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, 1965		1,097,957
Contributions 1965–66—		
<i>Commonwealth—</i>		
·125 per cent. per annum on debt prior to 30th June, 1927	340,872	
·25 per cent. per annum on new debt since 1927 ..	3,884,500	
	<hr/>	4,225,372
<i>State—</i>		
·25 per cent. per annum on debt prior to 1927	681,745	
·25 per cent. per annum on new debt since 1927 ..	3,781,457	
4 per cent. per annum on deficit loans	1,567,777	
·75 per cent. per annum on deficit loans	59,925	
·75 per cent. per annum on water supply replacements and imported coal and materials	82,406	
1·75 per cent. per annum on drought relief and deferred maintenance of railways and schools	359,567	
2 per cent. per annum on tourist resorts development ..	11,684	
Various, on discount and expenses overseas loans ..	101,802	
4·5 per cent. per annum on cancelled securities	9,867,979	
	<hr/>	16,514,342
		<hr/>
		21,837,671
Interest—temporary investment and repurchased securities		29,648
		<hr/>
		21,867,319
Securities repurchased and redeemed, \$19,677,294 at a cost of		21,656,337
		<hr/>
Balance of cash in Sinking Fund at 30th June, 1966		210,982
		<hr/>

The total amount of securities repurchased or redeemed and cancelled on account of this State since the inception of the scheme is now \$238,466,471 at a cost, including exchange on overseas purchases, of \$249,824,395.

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 six million dollars) 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 30th June, 1966.—

	\$
Expenditure from Consolidated Revenue pending the passing of the final Supplementary Estimates for the year	2,191,904
Expenditure from Loan moneys pending Parliamentary sanction	112,307
Total	<u>2,304,211</u>

In the statement of expenditure from the Consolidated Revenue commencing at page 25 of the Finance Statement, the Treasurer furnishes details of the amount of \$2,191,904 charged to Treasurer's Advance. With respect to the expenditure of \$112,307 from loan moneys, he has provided me with the particulars contained in Appendix "A" to this Report.

VARIATIONS OF ANNUAL APPROPRIATIONS.

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*, as amended by the *Audit (Amendment) Act* 1966, directs that I shall annex or append to my report a statement setting out briefly the effect of the Orders in Council issued under the provisions cited above. In compliance with this direction, a statement containing the relevant information is submitted in Appendix "F" to this Report.

AGRICULTURE DEPARTMENT.

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

The expenditure (excluding that of the Victoria Dock Cool Stores) of the Department from revenue for the year was \$6,742,183, against which there were departmental receipts of \$1,129,774, resulting in a net cost to revenue of \$5,612,409, compared with \$5,317,187 for the previous year. Details of expenditure and receipts for the two years are :—

Vote—	<i>Expenditure.</i>	1964-65	1965-66
		\$	\$
Department of Agriculture		6,311,943	6,666,515*
Treasurer—Accident Insurance		35,211	27,499
Treasurer—Pay-roll Tax		122,956	117,309
Public Works—Maintenance and Rent of Buildings		38,968	49,220
Special Appropriations		112,606	112,674
		6,621,684	6,973,217
<i>Less</i> Business undertaking—Victoria Dock Cool Stores		234,002	231,034
		6,387,682	6,742,183
	<i>Receipts.</i>		
Departmental		1,504,535	1,429,687
<i>Less</i> Victoria Dock Cool Stores		533,431	375,068
		971,104	1,054,619
Licences—Dairies, Dairy Farms, Dairy Produce Factories, &c.		99,391	75,155
		1,070,495	1,129,774
Net outgoing (excluding interest, sinking fund, and proportion of Government contribution to superannuation)		5,317,187	5,612,409

* Includes \$4,610 by way of *ex gratia* payments under authority of Treasury Vote—Division 48A.

Expenditure from Loan.

Expenditure from loan on the acquisition of properties and on works and buildings at Agricultural and Dairy Colleges, Research Farms and the Victoria Dock Cool Stores, &c., amounted to \$1,114,998.

Agricultural Colleges and Research Farms.

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

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

The receipts shown in Appendix "D", amounting to \$660,618, were credited to Consolidated Revenue. Payments amounting to \$2,611,701 were made from Consolidated Revenue and Loan Fund on account of general maintenance and capital items.

The capital items comprised :—

	\$	\$
Properties :—		
Pastoral Research Station, Hamilton	78,980	
Dairy Research Station, Ellinbank	37,000	
	<hr/>	115,980
Buildings :—		
Dookie Agricultural College	28,638	
Longerenong Agricultural College	34,114	
Gilbert Chandler Institute of Dairy Technology	172,137	
Dairy Research Station, Ellinbank	104,575	
Research Station, Mildura	26,436	
Other locations	96,518	
	<hr/>	462,418
Plant and Equipment :—		
Dookie Agricultural College	17,278	
Research Station, Tatura	11,952	
Research Farm, Werribee	23,085	
Other locations	56,326	
	<hr/>	108,641
Water Reticulation :—		
Potato Research Station, Healesville	11,638	
Irrigation Research Station, Kyabram	6,166	
Other locations	14,624	
	<hr/>	32,428
Electrical Installation, &c., various locations		38,449
Furniture, various locations		31,974
Fencing, various locations		37,561
Roads, various locations		4,026
		<hr/>
		831,477

Victoria Dock Cool Stores.

A profit of \$102,001 resulted from operations during the year ended 30th June, 1966. The following comparative statement summarizes transactions during each of the last three years :—

—	1963-64.		1964-65.		1965-66.	
	\$	\$	\$	\$	\$	\$
<i>Revenue.</i>						
Storage Charges	442,867		441,112		509,513	
Shipping Charges	4,352		6,017		1,934	
Rental	1,406		4,109		..	
	<hr/>	448,625	<hr/>	451,238	<hr/>	511,447
<i>Expenditure.</i>						
Salaries and Wages, &c.	165,536		170,815		181,230	
Pay-roll Tax	4,092		4,309		4,357	
Rent of Site	5,416		5,416		5,416	
Agency and Commission	21,383		20,593		23,393	
Maintenance	27,220*		35,585		16,554	
Electrical Energy	35,986		39,226		40,145	
Other Charges (net)	1,694		6,288		6,017	
Depreciation	40,152		44,375		49,447	
Interest on Capital	67,608		72,215		82,887	
	<hr/>	369,087	<hr/>	398,822	<hr/>	409,446
Net operating profit		79,538		52,416		102,001

* Attention is invited to the observation in relation to maintenance of buildings, &c., by the Public Works Department under "Public Works" in the Report for 1963-64.

During the year, capital provided by the State was increased by \$169,234. This amount was provided from Loan Fund and from Revenue for purposes of a programme of replacements and improvements of storage space and certain machinery and plant.

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 to Consolidated Revenue over working and other expenses provided therefrom is not treated as a contra to the capital provided by the State in arriving at the notional charge for interest.

ABRIDGED BALANCE-SHEET.

30.6.1965		30.6.1966
\$		\$
1,736,948	Capital provided by State	1,906,182
149,392	Contribution by Commonwealth, &c.	149,392
13,238	Sundry Creditors	21,218
5,921	Reserve	5,921
		\$
1,006,660	Profit forward	1,006,660
	Plus Net Operating Profit	102,001
		<u>1,108,661</u>
<u>2,912,159</u>		<u>3,191,374</u>
	Fixed Assets at cost less depreciation :—	
1,102,686	Buildings	1,204,127
241,686	Machinery, Plant, &c.	278,463
26,603	Roads and Railway Sidings	26,157
<u>1,370,975</u>		<u>1,508,747</u>
7,641	Stores on hand	7,459
120,382	Sundry Debtors	257,397
1,413,161	Balance of payments to Consolidated Revenue over working and other expenses provided therefrom	1,417,771
<u>2,912,159</u>		<u>3,191,374</u>

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 \$19,875,864. In the following statement, net cost includes not only the relevant expenditure under the authority of special appropriations and the annual police vote but also, to the extent to which applicable, the expenditure under the authority of votes of other Departments. The revenue associated with the police services has been deducted. Expenditure and revenue for the year are compared hereunder with corresponding figures for the previous year :—

	1964-65	1965-66
	\$	\$
<i>Expenditure—</i>		
Salaries and Allowances	17,193,699	17,810,035*
Overtime and Penalty Rates	196,249	246,237
Payments in lieu of Long Service Leave	166,054	198,542
Payroll Tax	430,249	446,526
Travelling and Subsistence	540,815	562,545
Office Requisites and Equipment, Printing, &c.	181,723	223,453
Postal and Telephone Expenses	335,949	458,399
Motor Vehicles, Purchase and Running Expenses	756,781	842,539
Fuel, Light, Power and Water	174,984	223,621
Maintenance and Rent of Buildings	70,856	52,505
Police Service Board	6,396	7,126
Workers' Compensation Insurance	198,229	133,040
Pensions and Superannuation	187,139	543,582
Other Expenditure	444,854	414,599
	20,883,977	22,162,749
<i>Revenue—</i>		
Police Services	1,013,485	855,724
Firearms and other Licences	9,202	9,368
Recoup of administrative expenses—Motor Registration Branch, &c.	1,204,828	1,421,793
	2,227,515	2,286,885
<i>Net Cost to Revenue</i>	18,656,462	19,875,864
Expenditure on Police Buildings and Residences Financed from Loan Fund	1,034,392	905,704

* Includes \$51,738 by way of *ex-gratia* payments under authority of Treasury Vote—Division 48A.

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 and stamp duty payable on the registration or acquisition of a motor car or trailer.

Collections arising from the above functions were, by statutory direction, credited as set out hereunder :—

1964-65		1965-66	
\$		\$	\$
<i>Country Roads Board Fund—</i>			
23,458,416	Motor Fees	24,642,890	
603,122	Drivers' Licence Fees (one-quarter)	714,522	
1,523,410	Additional Registration Fees (two-thirds)	1,504,500	
8,358	Examiners' Licences	8,203	
		<hr/>	26,870,115
<i>Level Crossings Fund—</i>			
761,704	Additional Registration Fees (one-third)		752,249
<i>Municipalities Assistance Fund—</i>			
603,122	Drivers' Licence Fees (one-quarter)		714,524
<i>Transport Regulation Fund—</i>			
11,772	Omnibus Registration Fees		11,583
<i>Roads (Special Projects) Fund—</i>			
24,352	Additions to Registration Fees		7,636,856
<i>Consolidated Revenue—</i>			
590,308	Drivers' Licence Fees (one-half)		1,421,251
<hr/>			
27,584,564	Total Fees under Motor Car Act		37,406,578
<i>Third-party Insurance—</i>			
14,428,348	Premiums on behalf of Approved Insurers		17,833,049
148,062	Motor Car (Hospital Payments) Fund		160,380
<i>Consolidated Revenue—</i>			
1,683,140	No. 1 Taxation (Surcharges)		1,800,664
		<hr/>	19,794,093*
<i>Stamp Duty—Consolidated Revenue—</i>			
2,424,559	Duty on registration or acquisition of a motor car or trailer		4,843,835
<hr/>			
46,268,673	Total Collections		62,044,506
<hr/>			<hr/>

* Excludes collections by authorized insurers.

As indicated above, fees collected by the Branch under the Motor Car Act increased by \$9,822,014. The higher collections from this source in 1965-66 were due to—

- (i) increased motor car registration fees under the *Roads (Special Projects) Act 1965*. This Act, which came into operation on 1st July, 1965, requires that so much of the registration fees received as is attributable to the alterations to the rates, as set out in the schedule to the Act, is to be paid to the Roads (Special Projects) Fund. Actually, a sum of \$24,352, representing fees paid in advance under this legislation, had been received up to the close of the previous year ;
- (ii) the effect in a full year of the increased fees charged in respect of drivers' licences issued on and from 1st January, 1965. Pursuant to the *Motor Car (Fines and Drivers' Licence Fees) Act 1964*, the whole of the increased collections from this source was, subject to a recoup of the relevant proportion of the costs of collection to the Country Roads Board, paid to Consolidated Revenue ; and
- (iii) the greater number of motor cars registered—1,136,180 compared with 1,084,301 in 1964-65.

Other collections also increased substantially as a result of :—

- (i) increased premiums charged in respect of third-party insurance effective from 1st October, 1965 ; and
- (ii) the collection over a full year of stamp duty payable pursuant to the provisions of the *Stamps (Motor Car) Act* 1964 which came into operation from 14th December, 1964.

Costs of collection in respect of fees under the Motor Car Act are apportioned between the participating funds, including Consolidated Revenue, with the exception that, in respect of amounts credited to the Level Crossings Fund and the Roads (Special Projects) Fund, the relevant costs of collection are borne by the Country Roads Board Fund. The costs of collection of stamp duty under the Stamps (Motor Car) Act are also borne by the Country Roads Board Fund.

In the Report for the year 1964–65 it was pointed out that the Branch had ceased to collect transfer fees in respect of vehicles repossessed by hire-purchase companies and that this aspect was the subject of audit query. The *Motor Car Act* 1965 which was passed on 30th November, 1965, fixed a fee of \$2 in respect of each such transfer. However, the relevant section did not become operative until 1st July, 1966.

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 statement below shows both on a divisional and an over-all basis the expenditure and revenue of the Branch and the net cost to Consolidated Revenue for the past two years :—

Division.	1964–65.			1965–66.		
	Expenditure.	Revenue.	Net Cost.	Expenditure.	Revenue.	Net Cost.
	\$	\$	\$	\$	\$	\$
Administration and Research and Statistics	260,328	..	..	291,202	..	..
Family Welfare	3,048,150	..	..	3,163,808	..	..
Youth Welfare	1,079,328	..	..	1,385,961	..	..
	4,387,806	200,442	4,187,364	4,840,971	256,662	4,584,309
Prisons	2,690,266	335,718	2,354,548	2,569,991	274,330	2,295,661
Training	75,694	..	75,694	96,583	..	96,583
Probation and Parole	234,474	..	234,474	263,974	..	263,974
	7,388,240	536,160	6,852,080	7,771,519	530,992	7,240,527

The following details extracted from branch and other records are furnished in amplification of the information contained in the preceding summary :—

EXPENDITURE FROM CONSOLIDATED REVENUE.

Administration and Research and Statistics—	1964–65		1965–66	
	\$	\$	\$	\$
Salaries	132,458	..	142,430	..
Overtime and penalty rates	2,222	..	6,521	..
Payments in lieu of long service leave	452	..	..	..
	135,132	..	148,951	..
Payroll Tax .. .. .	..	2,808	..	3,160
Cadetships in Social Studies—Allowances .. .. .	..	5,000	..	18,477
Rent .. .. .	..	80,458	..	87,264
Other .. .. .	..	36,930	..	33,350
	260,328	..	291,202	..

The increase of \$9,972 in salary payments was the result of the creation of additional positions and salary revisions granted during the year. Allowances—first introduced in 1964–65—to cadets undertaking courses in Social Studies rose by \$13,477 in 1965–66, as payments were made for a full year to those who commenced study in 1965 and to additional cadets who undertook the course in 1966.

	1964–65		1965–66	
	\$	\$	\$	\$
<i>Family Welfare—</i>				
Salaries	258,942		301,182	
Overtime and penalty rates	1,558		1,521	
Payments in lieu of long service leave	1,842		5,570	
Payroll Tax	5,428		6,420	
School Books	22,130		20,875	
Other	38,960		47,135	
		328,860		382,703
<i>Maintenance of Wards—</i>				
<i>In Departmental Establishments—</i>				
Salaries	462,912		517,646	
Overtime and penalty rates	75,064		86,574	
Payments in lieu of long service leave	860		2,468	
Provisions	94,078		115,316	
Clothing	84,492		67,976	
Light, power, fuel	28,782		22,180	
Other	73,180		83,700	
		819,368		895,860
Boarded out in Children's Homes and Foster Homes		1,284,496		1,295,153
Allowances for children (non-wards) in necessitous circumstances		615,426		590,092
		3,048,150		3,163,808

Major variations were :—

- (i) *increases*—in salary costs \$42,240 at head office and \$54,734 at departmental establishments, and in provisions \$21,238 ; and
- (ii) *a decrease* of \$25,334 in allowances for children (non-wards) in necessitous circumstances.

The rise in expenditure on salaries was chiefly the result of the progressive enlargement of head office staff, the opening of a new institution and various salary revisions which became effective during the year.

The decrease in allowances paid on account of non-wards in necessitous circumstances was caused by an increase in Commonwealth allowances which was effective from October, 1965, and which reduced the over-all supplementation payable by the State.

	1964–65		1965–66	
	\$	\$	\$	\$
<i>Youth Welfare—</i>				
Salaries	78,618		83,238	
Overtime and penalty rates	1,650		2,579	
Payments in lieu of long service leave			1,004	
Payroll Tax	1,672		1,820	
Other	12,500		13,531	
		94,440		102,172
<i>Maintenance of Trainees—</i>				
<i>In Departmental Establishments—</i>				
Salaries	451,362		633,886	
Overtime and penalty rates	67,198		96,229	
Payments in lieu of long service leave	2,226			
Provisions	83,674		103,649	
Clothing	63,792		77,056	
Light, power, fuel	30,804		41,105	
Other	70,454		95,757	
		769,510		1,047,682
In non-Departmental Establishments		190,416		199,836
Allowances to trainees		24,962		36,271
		1,079,328		1,385,961

The over-all increase in expenditure in the division was chiefly the result of the transfer of Langi Kal Kal from the Prisons division to the Youth Welfare division from 1st July, 1965, and the operation of the Malmsbury centre for a full year.

<i>Prisons—</i>	1964-65		1965-66	
	\$	\$	\$	\$
Salaries	1,320,266		1,319,056	
Overtime and penalty rates	292,186		290,898	
Payments in lieu of long service leave	20,060		16,521	
		1,632,512		1,626,475
Payroll Tax	33,602		34,152	
Travelling and Subsistence	17,954		15,462	
Motor Vehicles—Purchase and Running Expenses	32,632		30,379	
Fuel, light, power and water	99,794		91,902	
Stores, provisions, equipment, &c.	401,940		347,751	
Materials for manufacture	184,052		175,962	
Allowances to Working Prisoners	216,412		198,017	
Workers' Compensation Insurance	11,364		7,962	
Other	60,004		41,929	
		1,057,754		943,516
		<u>2,690,266</u>		<u>2,569,991</u>

The over-all decrease in expenditure of the division was chiefly the result of the transfer already mentioned of Langi Kal Kal from this division to the Youth Welfare division.

<i>Training—</i>	1964-65		1965-66	
	\$	\$	\$	\$
Salaries	54,532		56,018	
Overtime and Penalty Rates	1,074		1,530	
		55,606		57,548
Payroll Tax	1,160		1,220	
Travelling and Subsistence	976		1,498	
Motor Vehicles—Purchase and Running Expenses	356		613	
Training Equipment and Materials	7,984		18,690	
Bursaries to Students and Lecture Fees	5,586		11,782	
Other	4,026		5,232	
		20,088		39,035
		<u>75,694</u>		<u>96,583</u>

The increase of \$10,706 in expenditure on Training Equipment and Materials was the result of an expansion in the rehabilitation of trainees and prisoners. The payment, for a full year, of bursaries to persons interested in child care and youth welfare and fees to lecturers who conducted the courses accounted for the increase of \$6,196 in the item "Bursaries to Students and Lecture Fees".

<i>Probation and Parole—</i>	1964-65		1965-66	
	\$	\$	\$	\$
Salaries	178,352		195,324	
Overtime and Penalty Rates	16,720		20,480	
Payments in lieu of long service leave .. .. .	..		450	
		195,072		216,254
Payroll Tax	4,064		4,577	
Travelling and Subsistence	13,196		16,196	
Motor Vehicles—Purchase and Running Expenses	3,606		4,460	
Parole Boards—Members' Fees and Expenses	8,788		8,672	
Rent of Buildings	1,530		3,280	
Workers' Compensation Insurance	1,382		1,067	
Other	6,836		9,468	
		39,402		47,720
		<u>234,474</u>		<u>263,974</u>

The rise in salaries (\$16,972) was largely the result of the filling of vacant positions.

LOAN EXPENDITURE.

Expenditure from loan moneys amounted to \$1,901,059 and represented the cost of acquisition and erection of buildings, and the furnishing and equipping of the various establishments under the control of the Social Welfare Branch.

Other Branches.

The net costs of the remaining sub-departments and branches of the Chief Secretary's Department for 1965-66 compared with the previous year are as set out below :—

	1965-66.			1964-65.
	Expenditure.	Revenue.	Net Cost.	Net Cost.
	\$	\$	\$	\$
State Library, &c.	2,040,665	4,254	2,036,411	1,826,722
Government Statist	345,118	218,121	126,997	175,550
Fisheries and Wildlife	708,633	179,979	528,654	405,674
Immigration	81,988	391	81,597	77,706
Other Branches	427,527	55,380	372,147	383,149*
Administrative	278,921	40,903	238,018	310,998
	3,882,852	499,028	3,383,824	3,179,799

* Excludes the net costs of the Explosives and Weights and Measures Branches, the administration of which was transferred, as from 1st July, 1965, to the Mines Department and the Local Government Department, respectively.

The increase in the net cost of the State Library, &c. (\$209,689), was due mainly to higher salary costs and increased expenditure on subsidies to municipalities for free libraries.

The rise in the net cost of the Fisheries and Wildlife Branch was due to increases in salary costs (\$39,822) and the contribution to the Game Development Account (\$20,802) and, also, to a fall in receipts from the issue of licences (\$34,825).

A decrease of \$66,924 in expenditure on Commissions and Boards of Enquiry was the main reason for the smaller net cost of the items grouped under the heading "Administrative".

Expenditure from loan funds during 1965-66 related to :—

	\$
State Library, La Trobe Library, National Gallery, National Museum and Institute of Applied Science.. .. .	97,649
Country Art Galleries	64,029
Fisheries and Wildlife	117,384
Immigration	299

EDUCATION.

The net expenditure on education from Consolidated Revenue during 1965-66 was \$140,619,863. 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—		
Education—		
Schools, &c.	124,759,048	
University Grant	2,400	
	<hr/>	124,761,448
Treasury—		
Schools, &c. (Pay-roll Tax, Workers' Compensation Insurance, &c.)	3,331,754	
University Grants	9,580,000	
	<hr/>	12,911,754
Public Works—Schools, &c. (Maintenance, Rents, &c.)		276,845
Agriculture—University Grant		70,000
Special Appropriations—		
Adult Education, Pensions, &c.	3,042,542	
University of Melbourne	196,200	
Monash University	500,000	
La Trobe University	364,000	
	<hr/>	4,102,742
		<hr/>
		142,122,789
Less—		
Revenue Collections	1,399,934	
Recoups of Expenditure	102,992	
	<hr/>	1,502,926
Net Cost to Revenue		<hr/>
		140,619,863
Forestry Fund—University Grant		1,000
Loan Acts Nos. 7186 and 7330, Maintenance and Capital Works—Schools, &c.		26,409,083
Loan Acts Nos. 7186 and 7330 and Treasurer's Advance Pending Loan, University of Melbourne		2,122,617
Act No. 6184/6712 and Loan Acts Nos. 7186 and 7330—Monash University		1,817,273
Act No. 7189—La Trobe University		820,000
Loan Act No. 7330—Kindergarten Teachers Training College Grant		45,296
Loan Act No. 7330—Victorian College of Pharmacy Grant		10,000
State Grants (Science Laboratories and Technical Training) Trust Accounts		5,602,011
Public Account Act No. 6345—Section 18 (1) (b)—Advance		3,571
		<hr/>
Total Cost of Education		177,450,714

Expenditure from Loan Fund for both capital and maintenance works in connexion with schools, teachers' colleges and hostels amounted to \$26,409,083 of which \$2,380,310 was charged to recoup the Public Works Department the expenses involved in the design and supervision of such works, and the administration costs associated therewith.

Pursuant to the provisions of the Commonwealth's *States Grants (Science Laboratories and Technical Training) Act 1964*, *States Grants (Science Laboratories) Act 1965* and *States Grants (Technical Training) Act 1965*, the Commonwealth made available to the State in 1965-66, a further \$3,135,300. Disbursements were as follows :—

	\$	\$
Registered Schools—Payments to		704,578
State Schools—Expenditure on—		
Science buildings and equipment	3,101,601	
Technical buildings and equipment	1,795,832	
	<hr/>	4,897,433
		<hr/>
		5,602,011
Agricultural &c., Colleges—Expenditure on—		
Technical buildings and equipment		202,520
		<hr/>
		5,804,531

The following comparative statement sets out receipts and expenditure during 1965-66 and the four preceding years :—

	1961-62.	1962-63.	1963-64.	1964-65.	1965-66.
	\$	\$	\$	\$	\$
Consolidated Revenue—					
Expenditure	89,565,866	101,048,314	114,919,642	126,465,720	142,019,797
Receipts	1,028,172	1,164,138	1,235,514	1,263,924	1,399,934
Net Cost Consolidated Revenue ..	88,537,694	99,884,176	113,684,128	125,201,796	140,619,863
Forestry Fund—Chair of Forestry —University	3,000	1,000	1,000	1,000	1,000
Loan Fund	27,403,646	27,258,052	29,204,034	30,704,996	31,224,269
Special Works Trust Account— Commonwealth Grant	800,000	332,672	..	..	..
State Grants (Science Laboratories and Technical Training) Trust Accounts .. .. .	..	..	..	2,481,762	5,602,011
Public Account Advance .. .. .	..	..	..	..	3,571
Total Cost	116,744,340	127,475,900	142,889,162	158,389,554	177,450,714

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 &c. 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.

	1964-65.	1965-66.
	\$	\$
Administration	3,063,922	2,682,637
Central Schools and Classes	464,248	516,647
Correspondence School	424,590	453,569
Girls' Secondary Schools	1,776,132	1,616,724
High Schools	33,984,272	41,927,988
Higher Elementary Schools	266,054	198,286
Primary Schools	55,118,864	58,110,817
Registered Schools	2,529,286	2,851,043
Special Schools and Hostels attached thereto	1,449,956	1,669,441
Special Activities (Library, Music, &c.)	2,679,986	2,936,060
Technical Schools	27,579,324	31,230,184
Teachers' Colleges	11,859,542	14,377,974
Teachers' Colleges Hostels	363,672	384,376
Universities	14,126,058	15,510,376
Pensions, &c.	2,643,548	2,967,469
Miscellaneous	60,100	17,123
	<u>158,389,554</u>	<u>177,450,714</u>

Examination of Appendix " E " shows that, between the year under review and the previous year, there were marked variations in certain expenditure items. Most increases reflect the growing volume of the Department's activities. Particular reference is made to the following :—

Salaries—Teachers.—Expenditure under this head rose from \$80,120,472 to \$89,623,957, an increase of \$9,503,485. Part of this increase was the result of annual salary increments and increases in salary rates accorded members of the teaching service in 1965. The remaining part 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 2,130, were appointed to teaching positions on 1st January, 1966 ; and
- (ii) the effect of a full year's cost of the salaries of the graduates from Teachers' Colleges appointed on 1st January, 1965.

Allowances to Students in Training.—The rise from \$8,594,812 to \$9,574,614 was caused by students' normal annual increments, an increase in the number of students in training and an increase in the rate of allowances.

Buildings.—The increase of \$3,613,438 from \$31,722,050 to \$35,335,488 was the net result mainly of increases in loan works in respect of high schools, technical schools and teachers' colleges after offset by reductions in the expenditure on other types of building.

Grants.—Expenditure rose from \$9,352,794 to \$11,091,930, an increase of \$1,739,136. The increase was due almost entirely to higher grants to the three Universities.

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.

1964-65	Source of Funds—	1965-66.
\$		\$ \$
21,106,948	Consolidated Revenue (net)	24,125,576
5,138,876	Loan Acts	5,039,627
1,333,500	State Grants (Science Laboratories and Technical Training) Trust Accounts	2,064,981
		<hr style="width: 100%;"/>
1,656,828	Tuition fees collected by Technical Schools	1,707,038
504,246	Other Technical School Revenue	583,452
<hr style="width: 100%;"/>		<hr style="width: 100%;"/>
29,740,398		33,520,674
99,688	<i>Plus</i> Deficit for year	220,236
<hr style="width: 100%;"/>		<hr style="width: 100%;"/>
29,840,086		33,740,910
<hr style="width: 100%;"/>		<hr style="width: 100%;"/>
1964-65.	Disbursement of Funds—	1965-66.
\$		\$ \$
	Salaries (including Pay-roll Tax)—	
17,596,376	Teachers and part-time Instructors	19,980,725
2,170,058	Administrative and Maintenance Staff	2,525,080
		<hr style="width: 100%;"/>
5,099,654	Erection and Maintenance of Buildings, &c	5,982,841
1,447,578	Equipment	1,258,479
1,356,066	General costs of classes	1,469,038
1,041,788	Administrative and other costs	1,242,576
		<hr style="width: 100%;"/>
1,167,042	Allowances to pupils	1,303,717
<hr style="width: 100%;"/>		<hr style="width: 100%;"/>
29,878,562		33,762,456
38,476	<i>Less</i> Rents, &c., received by Education Department	21,546
<hr style="width: 100%;"/>		<hr style="width: 100%;"/>
29,840,086	Total Net Cost	33,740,910
<hr style="width: 100%;"/>		<hr style="width: 100%;"/>

Training of Teachers.

Allowances paid to students in training represent approximately three-quarters of the cost of operating teachers' colleges. The Department conducts 32 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 :—

	1962-63.	1963-64.	1964-65.	1965-66.
	\$	\$	\$	\$
Cost of conducting teachers' colleges	9,528,302	10,583,676	11,579,338	13,264,016
Cost of conducting hostels for students in training	254,730	305,990	331,932	337,175
	9,783,032	10,889,666	11,911,270	13,601,191
Average number of students in hostels	1,564	1,574	1,500	1,516
Average number of students accommodated privately	4,937	5,653	6,110	6,402
Average total number of students	6,501	7,227	7,610	7,918
	\$	\$	\$	\$
Average <i>per capita</i> cost of training per annum ..	1,466	1,464	1,566	1,496
Average additional <i>per capita</i> cost of training per annum for those students accommodated in hostels	164	194	222	222

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 :—

	1962-63.	1963-64.	1964-65.	1965-66.
	\$	\$	\$	\$
Allowances not exceeding 10c per day for eligible pupils attending primary schools	168,164	179,550	177,414	177,914
Allowances to eligible pupils attending post-primary schools (covering travel by bicycle and/or public transport facilities)	639,400	633,774	674,728	796,392
Payments to contractors providing special bus transport services for pupils	4,544,330	4,785,972	5,157,316	5,439,206
	5,351,894	5,599,296	6,009,458	6,413,512

THE UNIVERSITY OF MELBOURNE.

A section of the staff of the Audit Office, with a senior audit officer in charge and acting in accordance with my general directions, conducts a continuous and an annual audit of the accounts of the University.

Reference was made in the 1964-65 Report to the engagement of consultant services by the University for the conduct of an investigation into its accounting systems and procedures. The University has continued its use of consultant services for this purpose and further investigations are in course.

Details of the income and expenditure for the calendar year 1965 compared with that of the previous year are :—

<i>Income—</i>	1964.		1965	
	\$	\$	\$	\$
State Government Grants—				
General purposes	3,546,798		5,103,862	
Special purposes	2,479,354		1,401,714	
	<u>6,026,152</u>		<u>6,505,576</u>	
Commonwealth Government Grants—				
General purposes	3,528,440		4,637,568	
Special purposes	2,060,020		2,175,600	
	<u>5,588,460</u>		<u>6,813,168</u>	
Fees		3,215,670		3,585,684
Donations and bequests		1,563,720		1,298,232
Interest, dividends, rents		461,904		488,740
Dental Hospital Building on account of Principal and Interest		613,190		211,582
Other income		533,822		641,300
		<u>18,002,918</u>		<u>19,544,282</u>
<i>Expenditure—</i>				
Salaries and Pay-roll Tax		9,607,090		12,539,406
Apparatus and books		1,471,766		1,845,906
Buildings, land, grounds and vehicles		4,393,154		3,184,908
Examination expenses		296,320		52,150
Special grants, and fees to affiliated institutions		439,146		639,860
General expenses		897,288		1,038,988
Interest and Redemption—Dental Hospital loan		214,606		211,644
		<u>17,319,370</u>		<u>19,512,862</u>
<i>* Balance—</i>				
General Account	<i>Surplus</i>	245,612		25,324
Trust Fund	<i>Surplus</i>	437,936		6,096
	<i>Gross Surplus</i>	<u>683,548</u>		<u>31,420</u>

In a comparison of the results of the two years, it is necessary to note that the Trust Fund is the holding account for donations and bequests pending expenditure therefrom on specific projects.

* Takes into consideration inter-fund transfers.

The balances of General Account are composite figures. They embody the annual surpluses and deficits of several funds including the General Fund and a number of research and special funds. The comparative statement furnished hereunder shows how the annual balances on General Account have been arrived at :—

	1964.		1965.	
	\$	\$	\$	\$
Accumulated Deficit on General Fund at close of year	614,068		586,846
<i>Less</i> —Accumulated Deficit on General Fund at beginning of year	629,802		614,068
General Fund—Surplus for year	<u>15,734</u>		<u>27,222</u>
<i>Add to Surplus—</i>				
Excess of Annual Receipts over Expenditure—				
On account of—Lady Northcote Fund	254		66
Sundry Special Funds	64,942		16,276
Research Funds	170,694		..
Medical Expansion Fund		43,424
Transfer to Salaries Appropriation Account		40,180
General Account—Gross Surplus	<u>251,624</u>		<u>127,168</u>
<i>Deduct from Surplus—</i>				
Amounts Disbursed from Unexpended Grants—				
On account of—Murray Fund	16		1,192
Agriculture Fund	4,198		3,734
Meteorology Fund	1,798		..
Deficit on Research Funds		<u>96,918</u>
				<u>6,012</u>
General Account—Surplus	<u>245,612</u>		<u>25,324</u>

The accumulated deficit on the General Fund was reduced from \$614,068 at the beginning of the year to \$586,846 at the close of the year. Expenditure in suspense pending recoup or adjustment was increased from \$1,626,768 to \$1,734,200. Thus, at 31st December, 1965, the amount overdrawn on General Fund together with the sum remaining in suspense amounted to \$2,321,046 compared with \$2,240,836 at the close of the previous year. The sources from which the necessary finance was provided to meet these sums are shown hereunder :—

	1964.		1965.	
	\$	\$	\$	\$
Current liabilities including Bank Overdraft and Sundry Creditors	1,163,884		1,084,600	
<i>Less</i> —Current Assets including amounts—due from Commonwealth Government ; owing on account Salary Advances ; and due from other debtors	<u>841,922</u>	321,962	<u>841,036</u>	243,564
<i>Plus</i> —Unexpended Grants and Allocations—				
Funds for buildings other than those already purchased or erected	866,398		712,660	
Research funds	586,066		603,940	
Apparatus appropriation	81,540		121,658	
Other Funds	<u>384,870</u>		<u>639,224</u>	
		<u>1,918,874</u>		<u>2,077,482</u>
Total .. .. .	..	<u>2,240,836</u>		<u>2,321,046</u>

As in previous years, Government grants constituted the major proportion of the income of the University in 1965. State Government grants, provided principally from Consolidated Revenue, increased by \$479,424 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.

The particulars hereunder summarize the contents of the University's audited Statements of Income and Expenditure, excluding Receipts and Payments on Trust Account, for the past two calendar years :—

	1964.		1965.	
	\$	\$	\$	\$
<i>Income—</i>				
State Government Grants—				
General purposes	3,056,184		4,380,190	
Special purposes	2,677,120		2,147,880	
		5,733,304		6,528,070
Commonwealth Government Grants—				
General purposes	1,929,356		2,923,194	
Special purposes	2,677,120		2,148,000	
		4,606,476		5,071,194
Students' Fees including Union fees for operational purposes		580,688		1,128,864
Union fees for Union Development		39,954		57,672
Grants and Donations including Public Appeals		226,462		750,848
Other income		190,204		86,556
		<u>11,377,088</u>		<u>13,623,204</u>
<i>Expenditure—</i>				
Salaries and associated expenditure		3,020,768		5,182,954
Books, equipment, furniture, &c.		1,673,588		1,488,490
Maintenance, &c., buildings, land, grounds, vehicles		160,364		242,392
Student services		71,332		161,512
General expenditure		1,310,080		1,620,700
Site development		326,432		305,236
New buildings		4,133,964		3,658,062
Union development—Purchase of land, &c.		171,350		142,656
		<u>10,867,878</u>		<u>12,802,002</u>
<i>Balance—</i>				
Recurrent expenditure	<i>Surplus</i>	414,560	<i>Surplus</i>	767,782
Grants and Donations	<i>Surplus</i>	43,380	<i>Surplus</i>	406,900
Capital Funds	<i>Surplus</i>	179,000	<i>Deficit</i>	233,702
Other	<i>Deficit</i>	127,730	<i>Deficit</i>	119,778
		<u>509,210</u>		<u>821,202</u>
	<i>Net Surplus</i>		<i>Net Surplus</i>	

The accumulated balance at 31st December, 1965, amounted to \$1,792,408. Details are :—

	\$	\$
Unexpended Capital funds	573,064	
Add—Donations on Hand	537,616	
Unexpended Recurrent Funds	980,536	
		<u>2,091,216</u>
Total Credit		2,091,216
Less—Accumulated Deficit on account of Other Funds		298,808
		<u>1,792,408</u>
Net Credit		

Government grants, Commonwealth and State, were the principal sources of income in each of the two years.

The increase indicated above in both income and expenditure reflects the growth of the University over the past two years. Between 1964 and 1965 full-time staff increased from 925 to 1,178 and student numbers rose from 2,774 to 4,283.

LA TROBE UNIVERSITY.

The *La Trobe University Act* 1964, No. 7189, provides for the establishment in Victoria of a University to be known as "La Trobe University". The Act came into operation on 9th December, 1964, and an Interim Council was appointed to govern and administer the affairs of the University until the appointment of a permanent Council.

The statement below gives details of the income and expenditure of the University for the calendar year 1965.

<i>Income—</i>	\$	\$
State Government Grants—		
Recurrent purposes	194,000	
Building purposes	376,000	
	<hr/>	570,000
Commonwealth Government Grants—		
Recurrent purposes	106,000	
Building purposes	376,000	
	<hr/>	482,000
		<hr/>
		1,052,000
 <i>Expenditure—</i>		
Salaries and associated expenditure		60,958
Books, equipment and furniture		179,708
Maintenance, &c., buildings, land grounds, vehicles		9,614
General expenditure		43,482
Site development		163,936
New buildings		78,378
		<hr/>
		536,076
 <i>Balance—</i>		
Recurrent funds	<i>Surplus</i>	6,238
Capital funds	,,	509,686
	<hr/>	515,924
	,,	<hr/>

VICTORIA INSTITUTE OF COLLEGES.

The Victoria Institute of Colleges was established under the provisions of the *Victoria Institute of Colleges Act* 1965, No. 7291.

The aims of the Institute are to co-ordinate and advance the provision of tertiary education in certain institutions. The Interim Council first met on 28th June, 1965. An initial State Government grant was received on 15th September, 1965, and the income and expenditure account below gives details of the Institute's financial operations from that date to 31st December, 1965.

<i>Income—</i>	\$
State Government Grant	6,000
	<hr/>
 <i>Expenditure—</i>	
Staff Appointment Costs	5,059
Travelling Expenses, &c.	103
Printing and Stationery	85
Postage	54
	<hr/>
	5,301
	<hr/>
 <i>Balance</i>	<i>Surplus</i> 699
	<hr/>

FORESTS.

EXPENDITURE.

In the year under review, expenditure amounted to \$7,547,794. Under broad headings, the principal divisions of expenditure in the past two years were :—

	1964-65.	1965-66.
	\$	\$
Appropriations—		
Salaries and Payments in the nature of Salary	1,896,952	1,965,119*
Pay-roll Tax	48,052	50,834
Pensions	89,544	96,511
School of Forestry	35,000	35,000
Other Administrative Expenses	152,336	163,895
Utilization Forest Produce	717,214	801,902
Business Undertakings	127,024	114,969
Contribution to the National Sirex Fund	41,700	41,700
Sundry	35,700	27,740
	<u>3,143,522</u>	<u>3,297,670</u>
Forestry Fund—		
Forests	1,988,766	1,917,228
Plantations	38,924	39,991
Nurseries	50,332	53,176
General	131,426	162,797
	<u>2,209,448</u>	<u>2,173,192</u>
Loan Fund—		
Land	62,698	76,123
Fire Protection	421,180	454,751
General Operations	177,894	171,941
Extraction Roads	386,454	312,692
Plantations	950,224	929,641
Buildings	72,796	113,095
Plant and Machinery	20,558	18,689
	<u>2,091,804</u>	<u>2,076,932</u>

* Includes \$2,516 charged to Treasury Vote—Division 48A.

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

	1964-65.		1965-66.	
	\$	%	\$	%
Appropriations	3,143,522	42·2	3,297,670	43·7
Forestry Fund	2,209,448	29·7	2,173,192	28·8
Loan Fund	2,091,804	28·1	2,076,932	27·5

The figures shown in the preceding summary of expenditure under Appropriations for salaries and payments in the nature of salary do not include amounts charged to Utilization Vote, Forestry Fund, Loan Fund and Stores Suspense Account in respect of the salaries of forest overseers and others. In 1964-65 these totalled \$408,432 and in 1965-66, \$514,546.

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

In the financial year 1961-62, a National Sirex Fund was created to which the Commonwealth and the States agreed to contribute on a \$1 for \$1 basis. Contributions have also been made to the Fund by private forest owners. To 30th June, 1966, Victoria had contributed as its share the sum of \$166,800. From the Fund, Victoria had received, up to 30th June, 1966, a total of \$1,117,100 to finance the expenditure incurred by the State in its efforts to control and eradicate the sirex wasp.

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 30th June, 1966, amounted to \$1,037,006. The balance at the credit of the Account as at 30th June, 1966, was \$80,094.

Included in the gross amount of \$2,076,932 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	17,326
Plantation expansion	647,314
Establishment costs—Reforestation Prison Camp, Won Wron	21,309*

* Financial arrangements for the purchase of materials in connexion with this project were transferred during 1965–66 from the Forests Commission to the Public Works Department.

Since the inception of the use of loan funds for forestry purposes, the sum of \$46,463,301 has been so applied. After allowing for discount, expenses and amounts redeemed or repaid, the Loan Liability at 30th June, 1966, was \$39,809,889, towards which there was an equity of \$3,526,735 in the National Debt Sinking Fund.

RECEIPTS.

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

	1964–65.	1965–66.
	\$	\$
Territorial—		
Rents	103,876	120,672
Royalties	4,225,638	4,518,076
Miscellaneous	2,578	2,293
Fees	798	557
State Sawmill	157,046	130,099
Departmental	783,802	892,306
Recoup of Salaries—Sirex Personnel	37,190	26,683
Miscellaneous	76,170	82,339
	<u>5,387,098</u>	<u>5,773,025</u>

Between the two years, there was an over-all rise of \$385,927 in collections which was attributable mainly to increases under the headings of Royalties and Departmental. The increase in Royalties arose from :—

- (i) a higher than usual rate of collection ; and
- (ii) the operation for a full year in 1965–66 of higher royalty rates on all types of logs, sleepers, &c., as against operation for part only of 1964–65.

The main contribution to the increase of \$108,504 in "Departmental" came from softwood thinnings for pulping purposes. However, this increase was offset in part by an increase of \$84,688 in the expenditure charged to "Utilization Forest Produce".

NET COST.

The net cost of the Commission for 1965–66, based on receipts and expenditure in the Consolidated Revenue Account, was \$1,676,999.

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

1964–65.	<i>Receipts.</i>	1965–66.	1964–65.	<i>Expenditure.</i>	1965–66.
\$		\$	\$		\$
5,387,098	As detailed	5,773,025	26,000	Commissioners' Salaries	28,121
1,621,336	Net Cost	1,676,999	3,027,978	Votes	3,173,038
			89,544	Pensions	96,511
			2,166,046	Grants to the Forestry Fund	2,320,521
			1,606,050	Interest and Exchange on Loans	1,735,215
			1,078	Loan Conversion Expenses	547
			91,738	National Debt Sinking Fund	96,071
<u>7,008,434</u>		<u>7,450,024</u>	<u>7,008,434</u>		<u>7,450,024</u>

TRUST ACCOUNTS.

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 Section, for or towards the maintenance of forest roads or tracks.

During the year, credits to the Account amounted to \$8,592. This amount consisted of a sum of \$7,496 from Australian Paper Manufacturers Limited in terms of sub-clause (3) of clause 18 of the Schedule to the *Forests (Wood Pulp Agreement) Act 1961*, and a sum of \$1,096 from the Colonial Sugar Refining Company Limited towards the cost of maintenance, by the Commission, of certain specified roads in forest districts in the vicinity of Bacchus Marsh.

Expenditure charged to the Account in the year amounted to \$753. At the close of the year, the balance at credit of the Account was \$14,065.

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, to finance the Account, \$40,000 was applied out of Loan Fund under 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 or other allocation 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 \$198,189 at credit of the Forests Stores Suspense Account in the Treasurer's books at 30th June, 1966, 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	94,652	
Repairs to Plant Account	113,368	
Manufactured Articles (Carpenter's Shop)	723	
	<hr/>	208,743
<i>Debit balances—</i>		
Drums Account	7,027	
Fire Protection Workshop Account—	\$	
Unadjusted Expenditure	6,527	
Less Advance from Stores Account	3,000	
	<hr/>	3,527
	<hr/>	10,554
		<hr/>
		198,189

The balance of the “Stores” section plus advances made from this section to other sections of the Stores Suspense Account exceeds the sum of \$40,000 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 the Report of my predecessor for 1957–58.

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 a proposed investigation by the Parliamentary Public Accounts Committee into the question of Stores Suspense Accounts generally.

In respect of the Forests Commission, the “Repairs to Plant” section has been progressively reduced from \$322,354 in 1958–59 to \$113,368 in 1965–66.

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, 1966 :—

	1st July, 1953 to 30th June, 1965	1st July, 1965 to 30th June, 1966	Total.
	\$	\$	\$
Plant Hire	2,864,304	139,267	3,003,571
Sale of Plant	3,880	14,839	18,719
	<u>2,868,184</u>	<u>154,106</u>	<u>3,022,290</u>
Expenditure on Renewals	2,602,916	175,040	2,777,956
Balance at 30th June, 1966 .. .. .	..	..	<u>244,334</u>

Mt. Buller Committee of Management Works Trust Account.—Mt. Buller is a declared Alpine Reserve within the meaning of Section 50 of the *Forests Act 1958*. As part of an approved allocation from the State's Loan Fund, sums amounting to \$178,128 have been made available from 1963–64, on the basis of two-thirds loan and one-third grant, to the Mt. Buller Alpine Reserve Committee of Management. These sums in turn have been paid to the credit of the Works Trust Account to finance the construction of an effective water supply at Mt. Buller. At the request of the Committee of Management, this project was undertaken by the Forests Commission with the co-operation of the Public Works Department.

Expenditure charged against the Account in the year amounted to \$33,499, and, at the close of the year, the balance at credit of the Account was \$9,424.

Mt. Buller Alpine Reserve Account.—In 1964–65, the Treasurer, as authorized by Section 8 of the *Public Account Act 1958*, established in the Treasury a Trust Account styled “Mt. Buller Alpine Reserve Account”.

Section 50 of the *Forests Act 1958* as amended by the *Forests (Amendment) Act 1964*, provides that any moneys received by the Commission pursuant to any regulation made under the Section shall be paid into a special trust fund kept for the purpose.

This Account facilitates the accounting for the receipts from the tappings, rates and charges and the expenditure relative to the water supply system at Mt. Buller.

During the year, expenditure charged to the Account amounted to \$1,913. The balance at credit of the Account at the close of the year was \$1,007.

Forests Equipment Hire Account.—Also under the authority of Section 8 of the *Public Account Act 1958*, the Treasurer established in the Treasury in 1964–65 a Trust Account called the “Forests Equipment Hire Account”.

This Account was opened with an initial credit of \$2,000 which was provided under Division 65–3–8 of the Appropriation Act for 1964–65. It facilitates the accounting arrangements which arise as a result of the Forests Commission carrying out work for other Government Departments, Public Authorities and private individuals.

Credits to the Account during the year amounted to \$91,235 and expenditure charged against the Account amounted to \$70,176. At the close of the year, the balance at credit of the Account was \$56,060.

Bennison Roding Trust Account.—Contributions amounting to \$192,000 were received up to 10th July, 1961, from the Heyfield Sawmillers Logging Company Pty. Ltd. and credited to the Bennison Roding Trust Account. These contributions were made on behalf of millers in the Macalister Forest District towards the provision of special roading in that district. To 30th June, 1966, expenditure charged against the credit of \$192,000 amounted to \$185,267. Therefore, the balance at credit of the Trust Account at the close of the year was \$6,733.

STATE SAWMILL, ERICA.

With Ministerial approval, tenders were invited by the Forests Commission during the latter part of 1965–66 from persons within the sawmilling industry for the purchase, as a going concern, of the State Sawmill and associated plant, buildings and houses situated at Erica. The tender accepted was for \$60,600.

In connexion with the disposal of the mill, a lease in accordance with Section 134 of the Land Act was in course of preparation by the Lands Department as at the close of the year under review. It is understood that the lease is to take effect from 1st July, 1966, the date that possession of the mill was offered to the successful tenderer.

The year ended 30th June, 1966, therefore, is to be the final trading year of the mill as a State owned and operated business undertaking under the control and supervision of the Forests Commission.

The following information taken from the Commission's Profit and Loss Statements summarizes operations in 1964–65 and 1965–66.

	1964–65		1965–66	
	\$	\$	\$	\$
Sales	156,450		144,870	
Other Receipts	962		1,897	
Increase in Stock	1,702		..	
	<hr/>	159,114	<hr/>	146,767
Working Expenses	142,730		135,406	
Interest Calculated on Capital used in the Business ..	5,110		5,191	
Decrease in Stock .. .. .	..		5,599	
	<hr/>	147,840	<hr/>	146,196
Net Profit .. .. .	..	11,274	..	571
		<hr/>	<hr/>	<hr/>

As stated in the 1959–60 Report, depreciation charges were varied as from that year so that the recorded value of assets would be reduced to estimated scrap value at the conclusion of the then anticipated economic life of the mill on 30th June, 1965. Depreciation charged for 1965–66 closely approximates the annual charge made in each of the preceding six trading years and has reduced the book value of machinery, plant and rolling stock to nil and the book value of buildings to \$12,312.

Interest on capital was charged at the same rate as for the previous year and was calculated without regard to the net revenue paid into the Treasury.

The accumulated profit at 30th June, 1966, was \$160,823.

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

	30.6.65.		30.6.66.	
	\$	\$	\$	\$
<i>Fixed Assets less Depreciation—</i>				
Buildings	11,322		12,312	
Additions during 1964-65	2,638		..	
	<u>13,960</u>		<u>12,312</u>	
Machinery and Plant	8,600		..	
Rolling-stock	400		..	
	<u>22,960</u>		<u>12,312</u>	
<i>Current Assets—</i>				
Debtors	13,964		23,099	
Stock on Hand—				
Timber	20,966		15,369	
Stores	112		92	
	<u>35,042</u>		<u>38,560</u>	
		58,002		50,872
Less Current Liabilities		2,930		5,325
		<u>55,072</u>		<u>45,547</u>
The balances shown above were financed from the following sources :—				
Capital raised from Revenue and Loan Fund	123,214		125,852	
Additional during year	2,638		..	
	<u>125,852</u>		<u>125,852</u>	
Accumulated Profit	160,252		160,823	
	<u>286,104</u>		<u>286,675</u>	
Less the excess of receipts over payments which has been paid into Consolidated Revenue	231,032		241,128	
	<u>55,072</u>		<u>45,547</u>	

Timber stocks on hand at 30th June, 1966, comprised logs valued at \$14,207 and sawn timber valued at \$1,162.

GOVERNMENT PRINTER.

Income from printing, sales of publications, &c., for the year amounted to \$2,909,821 compared with \$2,702,362 in 1964-65.

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 \$66,136 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 and it indicates trends in costs and turnover. However, 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) the practice of valuing publications on hand at marked selling prices without due allowance for discount on subsequent purchases by agents.

	1964-65.	1965-66.
	\$	\$
<i>Item.</i>		
Materials	880,096	934,149
Salaries and Wages (including Pay-roll Tax)	1,326,470	1,438,483
Insurance—Workers' Compensation	10,096	5,997
Insurance—Fire	1,594	3,238
Power, Fuel and Light	37,950	36,377
Repairs to Buildings and Plant	26,654	32,210
Sundry Charges	56,462	55,293
Postage and Incidentals	23,948	24,650
Depreciation on Plant and Machinery	92,196	91,085
Work done by other than Government Printer	148,624	222,203
	2,604,090	2,843,685
Profit	98,272	66,136
Turnover	2,702,362	2,909,821

The total cost of plant and machinery met from loan funds to 30th June, 1966, was \$1,265,617. 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 1965-66, the balance in the Fund at 30th June, 1966, remained at \$237,470.

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, 1966, excluding that of the Mental Hygiene Branch and the contributions to the Hospitals and Charities Fund, which are discussed elsewhere herein, was \$11,882,479.

This expenditure consists of the following charges :—

	\$	\$
Departmental Votes—		
Health—Salaries, General Expenses, &c. .. .. .	.. .. .	11,232,178
Treasury—Pay-roll Tax	43,483	
Treasury—Workers' Compensation Insurance	17,315	
Treasury—Salary increases by way of Ex-gratia Payments— Division 48A	3,456	
	64,254	
Public Works—Maintenance, Rents, &c.	80,552	
Special Appropriations—Pensions and Salary of Director of Tuberculosis	505,495	
	11,882,479	

Receipts (excluding those of the Mental Hygiene Branch) totalled \$3,265,254, and the net cost of health services to revenue was \$8,617,225, an increase of \$527,695 compared with the previous year.

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

The figures given have been prepared from departmental analyses 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 :—

	1963-64	1964-65	1965-66
	\$	\$	\$
Registration and other Fees	70,674	80,628	87,774
Other Receipts	15,160	23,498	15,701
	85,834	104,126	103,475

Expenditure in the same period was :—

	\$	\$	\$
(a) <i>From Revenue—</i>			
Central Administration	602,076	648,714	702,718
Cancer Institute	1,440,000	1,600,000	1,700,000
Infectious Diseases	320,644	330,536	302,641
Venereal Diseases	54,418	51,542	66,719
Inspection of Buildings, Food Supervision, &c.	584,522	613,770	628,271
Miscellaneous Grants	360,000	359,400	447,900
Subsidies—Home Help Scheme, Clubs for Elderly People, &c.	754,960	790,364	850,908
	4,116,620	4,394,326	4,699,157
(b) <i>From Loan—</i>			
Cancer Institute	83,246	190,398	226,275
Other*	441,918	606,484	1,014,634
	525,164	796,882	1,240,909

* Expenditure on "Lincoln House" school for ancillary medical services increased from \$226,951 in 1964-65 to \$696,241 in 1965-66.

Tuberculosis Branch.

Receipts of this Branch over the past three years were :—

	1963-64	1964-65	1965-66
	\$	\$	\$
Commonwealth recoup under Health Act 1958	2,850,682	2,738,844	3,010,388
Other receipts	126,326	123,726	139,398
	<u>2,977,008</u>	<u>2,862,570</u>	<u>3,149,786</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.	3,397,686	3,357,540	3,597,010
(b) <i>From the Government Buildings Fire Insurance Fund</i> —			
Gresswell Sanatorium	12	Cr. 32	..
(c) <i>From Loan</i> —			
State sanatoria and clinics, &c.	188,200	311,816	340,080

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 was :—

	1963-64	1964-65	1965-66
	\$	\$	\$
Loan	60,738	192,196	136,877
Revenue	16,258	110,776	25,935
	<u>76,996</u>	<u>302,972</u>	<u>162,812</u>

A progress payment of \$125,685 on account of 1965-66 was received in June, 1966, and reimbursement of the balance is in course.

Progress payments to 30th June by the Commonwealth on account of 1965-66 maintenance expenditure amounted to \$2,897,395. Reimbursement of the balance outstanding at 30th June, 1966, 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.

Net revenue expenditure for the last three years was as follows :—

	1963-64	1964-65	1965-66
	\$	\$	\$
<i>Expenditure</i> —			
School Medical and Dental Services, &c.	1,282,032	1,349,620	1,446,802
Subsidies	1,761,850	1,966,108	2,139,510
	<u>3,043,882</u>	<u>3,315,728</u>	<u>3,586,312</u>
<i>Revenue</i>	11,404	11,368	11,993
<i>Net expenditure</i>	<u>3,032,478</u>	<u>3,304,360</u>	<u>3,574,319</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..	320,000	320,000	320,000
Other	5,274	3,260	6,992
	<u>325,274</u>	<u>323,260</u>	<u>326,992</u>

Mental Hygiene Branch.

The cost of the services provided by this Branch was, in 1965-66, defrayed from revenue. Gross expenditure for non-capital purposes was \$18,259,289, and after taking into consideration receipts of \$1,984,562, the net cost of mental health services was \$16,274,727. The gross expenditure comprised charges to—

	\$	\$
Departmental Votes—		
Health—Salaries and payments in the nature of salary ..	13,116,519	
—General Expenses	4,905,696	
	18,022,215	
Treasury—Workers' Compensation Insurance		63,888
Public Works—Maintenance and Rents		173,186
		18,259,289

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

	1963-64	1964-65	1965-66
	\$	\$	\$
Maintenance of patients—principally Commonwealth payments on account of pensioners in Training Centres and repatriation patients	740,226†	1,087,612	1,159,156
Deduction from Salaries for Accommodation and Meals	459,878	447,284	475,897
Commonwealth Pharmaceutical Benefits*	132,082	237,100	279,636
Sales of produce	16,964	16,904	25,154
Other	34,846	37,502	44,719
	1,383,996	1,826,402	1,984,562

† Commonwealth payments on account of pensioners in training centres operated from 19th September, 1963.

* The amount of \$237,100 received in 1964-65 included \$116,348 on account of 1963-64, and the amount of \$279,636 received in 1965-66 included \$55,878 on account of 1964-65.

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

Item.	1963-64.	1964-65.	1965-66.
	\$	\$	\$
Salaries	9,493,838	10,054,054	10,988,015
Overtime and penalty rates	1,389,268	1,626,006	2,046,603
Payments in lieu of long service leave	99,976	110,640	81,901
Total Payments in nature of Salary ..	10,983,082	11,790,700	13,116,519
Provisions and extra articles	1,923,494	1,945,994	2,105,047
Clothing, bedding, &c.	465,608	433,370	408,796
Stores, &c.	384,728	392,518	392,568
Fuel, light, and water	728,988	719,940	739,995
Drugs and medicines	503,644	509,970	519,999
Repairs, maintenance and rents	3,638*	161,706	173,186
Boarded-out patients	207,000	209,980	205,000
Other	511,508	544,732	598,179
Total	15,711,690	16,708,910	18,259,289

* In 1963-64, the amount expended by the Public Works Department on maintenance and repairs to mental hospital buildings was not available.

Expenditure from the Loan Fund during 1965-66 on buildings and equipment of State institutions amounted to \$5,130,749. 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	14,000	
Other Institutions—Grants for Maintenance	315,308	
	<hr/>	329,308
Loan Fund—		
Other Institutions—Grants for Capital Works .. ..	..	232,557
		<hr/>
		561,865
		<hr/>

In connexion with expenditure from loan moneys on buildings and equipment of State institutions and by way of grants for capital works to other institutions, the Commonwealth's *States Grants (Mental Health Institutions) Act 1964* provides that the Commonwealth shall pay to the State a sum equivalent to one-third of the amounts expended by the State during the period 1st July, 1964, to 30th June, 1967, on projects approved in terms of the Act. Pursuant to this authority, the State received in the year under review the sum of \$1,566,824 which, in effect, was part recoup of the sums expended by the State during the year from its Loan Fund on mental health projects.

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 \$3,901,392 as compared with \$3,676,426 in the previous year. Details are as set out hereunder :—

	1964-65.	1965-66.
	\$	\$
Territorial Revenue—		
Fees for various licences and leases, &c.	1,577,228	1,770,596
Proceeds of sales of land	430,172	526,480
	2,007,400	2,297,076
Revenue from similar sources for credit to the Mallee Land Account ..	74,498	83,692
Repayments of principal by settlers under the Closer Settlement Acts ..	339,770	261,959
Interest payments by settlers on Loan Liabilities under the Closer Settlement Acts	121,200	103,051
Repayments of principal—Other Advances	17,320	4,719
Interest on Other Advances	546	734
Licences to occupy water frontages—for credit to the Rivers and Streams Fund	89,116	95,487
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	302,498	385,677
Miscellaneous Revenue including rental Ballarat Guncotton Factory, admission to Buchan Caves, sales of government property and rentals of departmental houses	118,484	112,067
Survey Fees, &c.	30,420	37,748
Premiums for credit to the Insurance Fund	25,522	24,564
Moneys for specific purposes including funds made available by Wool and Wheat Research Committees, &c., for credit to Treasury Trust Accounts	75,340	61,340
Collections on account of North West Mallee Water Rates and Wire Netting Cash Sales	32,398	36,063
Road Loading Charges—Improvement Purchase Leases	9,900	10,448
Receipts on account of Assurance Fund	2,042	1,324
Net transactions through Lands Suspense Account comprising mainly deductions from pay for Group Tax, Superannuation, Insurance, &c.	429,972	385,443
	3,676,426	3,901,392

The effect of higher fees and charges, which operated for the whole of the year under review, is evident in the increase in territorial revenue and recoups on account of services, &c.

The amount of \$526,480 shown above as proceeds of sales of land includes \$116,500 for the sale of land to the Commonwealth for extensions to the Serum Laboratories at Parkville.

Expenditure.—The amount provided from Consolidated Revenue to meet departmental administrative costs and expenses and part of the functional expenditure of the Vermin and Noxious Weeds Branch was \$3,272,818 as compared with \$3,023,174 in the previous year.

Expenditure from Loan Fund \$1,955,827, was below that for the previous year by \$271,653. Comparative details are :—

<i>Nature of Loan Expenditure</i>	1964-65.	1965-66.
	\$	\$
Vermin and Noxious Weeds Branch—		
Functional Expenditure	1,489,606	1,542,594
Purchase of Equipment, Tools, &c.	206,362	176,188
	<u>1,695,968</u>	<u>1,718,782</u>
North West Mallee—Compensation and interest thereon in respect of certain occupiers of land who surrendered to the Crown their interest in such land—Under authority of Loan Application Acts No. 7186 and No. 7330	309,512	111,121
From Treasurer's Advance	89,724	..
	<u>399,236</u>	<u>111,121</u>
Construction of Roads—		
Under Part V. of <i>Land Act</i> 1958 in South Western Mallee ..	52,830	49,255
Other—Under <i>Land Act</i> 1958	14,635	8,521
	<u>67,465</u>	<u>57,776</u>
Survey Branch—Purchase of Vehicles, Machines, Equipment, &c. ..	35,992	35,990
Tostaree Pilot Farm—		
Establishment of farm and expenditure incidental thereto ..	20,492	19,284
Buchan Caves—Remodelling, &c.	6,000	6,000
Other Expenditure	2,327	6,874
	<u>2,227,480</u>	<u>1,955,827</u>

Disbursements by the Department from Treasury Trust Funds included :—

(i) \$76,635 from joint Commonwealth/Industry Research Funds, viz. :—

	\$
Vermin (Rabbit) Control	44,795
Skeleton Weed Control	28,557
Blackberry Control	3,283
	<u>76,635</u>

(ii) \$6,657 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 \$2,003,989 and the accumulated deficit on account of the settlement scheme, the subject of the provisions of that Act, was, as a result, increased to \$115,472,371.

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, in respect of buildings and improvements, by Closer Settlement lessees ; by farmers who have received advances for improvements ; and by 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, 1965	647,940	Claims paid	1,593
Premiums received	24,564	Administration expenses	5,064
	<u>672,504</u>	Balance at 30th June, 1966	665,847
	<u>672,504</u>		<u>672,504</u>

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.

As from 1st July, 1965, the responsibility for the administration of the Weights and Measures Branch was transferred from the Chief Secretary's Department to the Local Government Department.

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

	1964-65.	1965-66.
	\$	\$
Local Government—		
Salaries and Allowances	200,528	230,551
Salaries— <i>ex gratia</i> payments (Division 48A) .. .. .	..	217
Overtime and Penalty Rates	4,000	6,619
Travelling (including Motor Vehicles)	12,342	14,384
Fees and Expenses—Boards and Committees	13,790	14,276
Other Administrative Expenses	32,438	42,380
Town and Country Planning Board—		
Salaries and Allowances	79,120	91,726
Other Administrative Expenses	8,668	11,143
Weights and Measures—		
Salaries and Allowances	103,381	117,363
Salaries— <i>ex gratia</i> payments (Division 48A) .. .. .	..	118
Overtime and Penalty Rates	1,423	1,784
Travelling (including Motor Vehicles)	20,042	22,401
Materials and Equipment	3,302	5,338
Other Administrative Expenses	7,224	4,807
	486,258	563,107

Revenue for the year amounted to \$58,438, of which \$55,695 related to fees collected by the Weights and Measures Branch.

From loan funds, payments to municipalities and other public bodies amounting to \$1,080,108 were made during 1965-66 for the purposes shown hereunder :—

	\$
Drainage Works	257,604
Small Drains	232,390
Swimming Pools and Accessories	235,679
Traffic Signals	46,866
Sale-yards, Markets, &c.	46,477
Public Halls and Amenities	118,214
Beach Cleaning	54,534
Metropolitan Clearways	34,992
Other Capital Works	53,352
	1,080,108

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 and, as from 1st July, 1965, for the issue of licences for the manufacture, transportation, storage and sale of explosives.

The net cost to Consolidated Revenue for the year under review was \$783,694, which compares with \$815,031 in 1964-65.

Details of departmental receipts for the past two years are :—

	1964-65	1965-66
	\$	\$
Gold Buyers' Licences	304	291
Mining Leases, Rents, &c.	83,796	120,857
Assays	750	681
Sundries	922	1,444
Magazine Licences	334	313
Boring and Crushing Fees	58,516	42,868
Sale of Government Property	8,822	17,313
Factory Fees—Boiler Attendants, &c.	732	759
Repayment of Loans .. .. .	..	28,660
Explosives Licences and Fees	13,696	13,267
	167,872	226,453

Payments from revenue in those years comprised :—

	\$	\$
<i>Administration—</i>		
Salaries	528,208	557,013
Salaries— <i>ex gratia</i> payments (Division 48A) .. .. .	..	659
Overtime and Penalty Rates	2,388	2,650
Travelling and Subsistence	12,809	21,173
Motor Vehicles—Purchase and Running Expenses	29,956	26,347
Other Administrative Expenses	59,246	56,449
	632,607	664,291
<i>Miscellaneous—</i>		
Maintenance, &c., State Batteries	3,848	3,282
Boring for Water, Coal and other Minerals, &c.	269,818	257,992
Geological Survey	10,944	11,999
Laboratory Expenses	6,373	7,200
Covering Abandoned Shafts	14,398	14,380
Surveys for Mineral Deposits	34,915	31,003
Advances for Gold Mining	10,000	10,000
Contribution to Coal Utilization Research Trust Account .. .. .	..	10,000
Total Expenditure	982,903	1,010,147

To enable proper comparison with 1965-66, receipts and payments relating to the Explosives Branch (which was transferred to the Mines Department from the Chief Secretary's Department as from 1st July, 1965) have been included in the 1964-65 figures above.

Included in the departmental payments from revenue in 1965-66, shown above, is expenditure, estimated to be \$448,516, incurred in the investigation and measurement of underground water resources. In respect of this expenditure, the State is eligible for recoup by the Commonwealth in terms of the *States Grants (Water Resources) Act 1964*. Particulars of this legislation are given at page 10 of this report.

PUBLIC WORKS.

This Department is the principal designing and constructing authority for 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 :—

	1964-65	1965-66
	\$	\$
Public Works Administration—		
Salaries	2,847,056	3,085,166
Salaries— <i>ex gratia</i> payments (Division 48A) .. .. .	..	3,205
Overtime and Penalty Rates	92,802	92,156
Travelling and Subsistence	180,256	177,355
Other Administrative Expenses	365,446	346,716
Total Administration	3,485,560	3,704,598
Works and Buildings—Maintenance, Repairs, &c.	999,976	999,255
Rents and Allowances	614,086	701,849
Other Services	659,952	707,514
	5,759,574	6,113,216
Ports and Harbors Administration—		
Salaries	397,156	405,533
Salaries— <i>ex gratia</i> payments (Division 48A) .. .. .	..	409
Overtime and Penalty Rates	66,362	81,672
Travelling and Subsistence	31,072	39,056
Other Administrative Expenses	10,212	25,741
Total Administration	504,802	552,411
Wharves and Jetties—Maintenance, Repairs, &c.	98,170	99,999
Contribution to Portland Harbor Trust	711,000	576,000
Westernport—Operating Expenses .. .. .	..	59,805
Other Services	87,834	103,473
	1,401,806	1,391,688
Total Public Works Department	7,161,380	7,504,904

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 to cover the departmental expenses involved in the design, supervision and administration of the works at the rate of 11·99 per cent. except that, in some instances, where the circumstances warranted it, the percentage rate was slightly lower. Recoups to Consolidated Revenue on the basis of these and other charges amounted to \$3,658,653. The comparable figure for 1964-65 was \$3,350,502 when the charge for design, supervision and administration was 12·52 per cent.

Expenditure from Loan Fund amounted to \$40,460,166, and from Trust and Special Funds \$5,328,630, a total of \$45,788,796, compared with a total of \$41,957,706 from the same sources in the previous year. The major part of the expenditure in each year 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	3,813,896
Foreshore protection, wharves, and jetties	234,749
Dredging, blasting, and navigational aids	416,166
Vessels for dredging	342,769
Works & Services— <i>Westernport (Oil Refinery) Act 1963</i>	2,615,289
Plant was acquired from loan funds for departmental purposes during the year at a cost of	78,191

“Public Offices”, \$3,813,896, included progress payments made to the contractor and professional fees paid to consultants amounting in all to \$1,867,077 on account of the State Offices in course of erection in the Treasury Reserve.

Included in these payments are amounts totalling \$48,669 paid in connexion with the State Offices Car Park and New State Laboratories. As at 30th June, 1966, no formal agreement had been entered into with the contractor for these additional works, which it is estimated will cost roundly \$1,850,000. However, the payments have been made with the approval of the Governor in Council.

“Vessels for dredging”, \$342,769, included expenditure amounting to \$341,540 on the construction of a sea-going dredge at Maryborough, Queensland, for the Ports and Harbors Branch. Total expenditure in respect of this dredge up to and inclusive of 30th June, 1966, including charges by the Department for design, supervision and administration, amounted to \$2,006,380. The contract price for the dredge is \$2,543,070 but the cost of the project is subject to certain variation clauses. To 30th June, 1966, payments totalling \$216,508 have been made under the authority of these clauses.

“Works and Services—*Westernport (Oil Refinery) Act 1963*,” \$2,615,289, is the expenditure in terms of this Act during the year under review. Details are :—

	\$
B.P. port development	1,677,288
Dredging and shipping channels	101,617
Pilotage vessels and sea-going tugs	515,455
Bunding walls and jetty extension	196,688
Residences	72,986
Consultant fees	6,005
Charges for design, supervision and administration	45,250
	2,615,289

The total expenditure on this project up to the close of the year was \$5,554,165.

As already indicated, various services and projects of the Department were financed to the extent of \$5,328,630 from certain Trust and Special Accounts. The major accounts within this group are discussed below.

Trust Accounts—State Grants for Science Laboratories and Technical Training.—The source of the receipts of these Accounts is given under “Trust and Special Accounts” in this Report. With respect to the expenditure therefrom by the Public Works Department, the nature and amount of such expenditure are summarized hereunder :—

<i>Science Laboratories and Equipment</i>	\$	\$
Buildings—		
Erection	1,953,624	
Equipment	175	
Charges in respect thereof for design, supervision and administration (including payments to outside consultants)	234,261	2,188,060
<i>Technical Training and Equipment</i>		
Buildings—		
Erection	982,117	
Equipment	133,531	
Charges in respect thereof for design, supervision and administration (including payments to outside consultants)	126,015	1,241,663
		3,429,723

Particulars of total expenditure from these Accounts are shown elsewhere in this Report under the general head of “Education”.

Public Works Stores Suspense Account.—This Account was established under the provisions of Loan Act No. 5240 of 1947. An amount of \$50,000 was provided under that Act, and subsequent authorities increased the amount to \$650,000. The allocation under these authorities to the 30th June, 1966, was \$648,000. 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 statement shows, as at 30th June, 1966, the amount available for the purchase of stores and the value of stores on hand ; and reconciles, as at that date, the sum of those two items with the amount allocated from Loan Fund for the purposes of the Account :—

	\$
Cash balance as at 1st July, 1965—held in Treasury	290,730
Add—Issues pending recoup 1st July, 1965	71,224
	<hr/>
	361,954
Less—Sundry creditors 1st July, 1965	42,514
	<hr/>
Amount available for purchase of stores as at 1st July, 1965	319,440
Add—Recoups on account of stores issues, &c., 1965–66	568,876
	<hr/>
Amount available for purchase of stores, 1965–66	888,316
Less—Payments on account of stores, &c., purchased in 1965–66	556,073
	<hr/>
Cash balance as at 30th June, 1966—held in Treasury	332,243
Add—Issues pending recoup as at 30th June, 1966	92,406
	<hr/>
	424,649
Less—Sundry creditors as at 30th June, 1966	45,299
	<hr/>
Amount available after adjustment for the purchase of stores	379,350
Book value of Stores on Hand as at 30th June, 1966	268,482
	<hr/>
	647,832
Add—Amount retained by Treasury to meet Loan Discount and Expenses	168
	<hr/>
Amount allocated from Loan Fund for the purposes of the Account	648,000

Public Works Plant and Machinery Fund.—This Fund was established under the provisions of Loan Act No. 5199 of 1946. 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, namely, 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 year, the first section was in credit to the amount of \$335,628, while the second section was in debit to the extent of \$17,127. Thus, the net balance of the Fund at 30th June, 1966, was \$318,501.

In order to liquidate the debit on the maintenance section, the Department approved of new rates of hire with effect as from 1st July, 1965, which, it anticipates, will place this section of the Fund in credit by 30th June, 1967.

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 Acts of past years and the current Act—the *Commonwealth Aid Roads Act 1964*—certain funds have been made available for expenditure on works, other than road works, directly connected with transport by road or water. The particular projects are determined by the Minister.

From the allocation of \$392,968 in 1965–66 in terms of the *Commonwealth Aid Roads Act 1964*, and a balance of \$733, carried forward from the previous year, the State disbursed \$338,167, making a total of \$6,272,881 expended since 1st July, 1947 when Commonwealth aid was first provided for the purposes mentioned.

RAILWAY ACCOUNTS.

The Principal Act, the *Railways Act* 1958, was, in 1961–62, amended to relieve the Railway Commissioners, as from that year, of the liability for interest, sinking fund payments and exchange on moneys borrowed by the State for railway purposes. However, as the result of the passing of the *Railway (Funds) Act* 1964, the Railway Commissioners again became liable for interest, sinking fund payments and exchange but, in terms of the amending Act, only in respect of moneys borrowed for the purposes of the Principal Act as on and from the first day of July, 1960.

It is also provided in the Principal Act, as amended, for an account called the Railway Equalization Account to be kept in the Treasury Trust Fund. In any year in which railway income exceeds railway operating expenses, an amount equal to the excess is to be paid into the Account from Consolidated Revenue and, in any year in which the opposite is the case, railway income is to be supplemented from any moneys standing to the credit of the Account.

In the year under review, railway operating expenses, which included debt charges as defined, exceeded railway income by \$5,508,934. As the Railway Equalization Account had been exhausted in 1964–65, the deficit remains as a charge to Consolidated Revenue.

REVENUE ACCOUNT.

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

	\$	\$
Working expenses, &c.	95,806,554	
Renewals and Replacements Fund	400,000	
Pensions and Superannuation contributions	4,944,573	
Interest, Sinking Fund, Exchange	4,030,673	
	105,181,800	
This was provided by—		
Railway Income		99,156,283
General Revenue—		
For losses on Kerang–Koondrook line	30,583	
For credit for country freight charge concessions	286,000	
For concessions to pensioners	200,000	
	516,583	
Balance of deficit charged to Consolidated Revenue		5,508,934
		105,181,800

According to the accounts in the Railway books, there was a deficit of \$5,562,918. 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		5,508,934
Revenue outstanding (net) at—		
30th June, 1965	4,449,291	
30th June, 1966	4,395,307	
	53,984	
Deficit, as shown in Railway books		5,562,918

Collections on account of Railway Income amounted to \$99,672,866 which was \$5,527,134 less than the estimate and, without taking into consideration the transfer of \$2,169,600 from the Railway Equalization Account in 1964–65, showed a decrease of \$184,324 compared with that 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 :—

—	1963-64.	1964-65.	1965-66.
	\$	\$	\$
Passengers	25,137,042	27,389,834	27,763,000
Parcels, horses, carriages, &c.	2,430,784	2,715,924	2,735,088
Mails	612,480	658,248	893,096
Miscellaneous	77,076	86,866	162,681
Goods and live stock, &c.	58,730,846	63,361,526	61,441,529
Rents and general miscellaneous	1,780,124	1,826,676	1,913,684
Dining car and refreshment rooms services	2,963,820	3,058,208	3,345,424
Advertising	218,542	208,234	211,279
Bookstalls	827,908	919,542	1,053,593
Road motor services	72,800	73,274	68,925
	92,851,422	100,298,332	99,588,299

Treasury recoups—\$27,220 in 1963-64, \$27,528 in 1964-65, and \$30,583 in 1965-66 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, pensions and debt charges as defined in the Railways Act, amounted to \$105,181,800. This sum was less than the estimate by \$1,397,534 and, on a comparable basis, in excess of the previous year by \$2,526,434.

Included in working expenses for the year is the sum of \$600,000, being instalments of principal and interest in connexion with the purchase of locomotives on terms. No part of this expenditure has been capitalized and included in the Balance Sheet.

In other instances in which liabilities to contractors are being met over extended periods by regular instalments including principal and interest, the instalments are being charged to Loan Fund and, in conformity with usual railway practice, capitalized and included in the Railway Balance Sheet.

The following comparative statement shows charges, other than debt charges, to Consolidated Revenue on account of railway operations during the past three years :—

—	1963-64.	1964-65.	1965-66.
	\$	\$	\$
Pensioners' Fares Concessions	200,000	200,000	200,000
Freight Subsidies	286,000	286,000	286,000
Recoups, Kerang-Koondrook Railway	27,220	27,528	30,583
Charge to Consolidated Revenue	513,220	513,528	516,583

The item "Pensioners' Fares Concessions—\$200,000" is the amount of the payment to the Railways under the authority of the Annual Appropriation Act.

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 \$6,570,561 for the year, but the amount charged in the accounts was \$589,859, i.e., part of the sum credited to the Renewals and Replacements Fund, leaving \$5,980,702 unprovided for in the charge against revenue. The accumulated sum which has not been provided from revenue is \$61,085,299. However, \$5,249,454 has been received from sales of materials, &c., and the under-provision has been more than overcome by loan allocations, \$119,193,184, for replacement (rehabilitation) works. Accrued leave was reduced by 17,823 days in 1965-66, and the estimated liability decreased from \$4,019,294 as at 30th June, 1965, to \$3,947,147 as at 30th June, 1966. 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 \$400,000 and any other amounts provided by Parliament, in addition to the net proceeds from the sale of materials.

A summary of the 1965–66 transactions through the Fund is as under :—

	\$
Special Appropriation—Act No. 6355	400,000
Depreciation on rail motors and road motors, &c.	189,859
Sundry sales and abolitions, &c.	502,470
	<hr/>
	1,092,329
Less renewals and replacements during the year	1,092,329
	<hr/>
Balance at 30th June, 1966	Nil
	<hr/>

LOAN EXPENDITURE.

Commencing from the *Railway Loan Application Act 1963* (No. 7071), changes have been made in the form of presentation of the contents of Schedules to Railway Loan Application Acts. Modifications were made in some item names and in descriptions of work, and the Item “Replacement (Rehabilitation) Works” was omitted from the Schedule. In addition, authority was given for funds authorized under Items 1 and 2 to be expended on both renewals and capital works.

In the following comparative summary, the first three works classifications coincide with the descriptions in the current Act. The description, “Replacement (Rehabilitation) Works”, has been retained in the summary in order to show the expenditure on that Item in each of the three years preceding 1964–65.

Description of Works.	1961–62.	1962–63.	1963–64.	1964–65.	1965–66.
	\$	\$	\$	\$	\$
Way and Works	8,377,566	6,121,598	8,650,290	8,203,254	9,021,020
Rolling-stock, Equipment, &c	439,390	368,502	6,390,254	6,878,742	7,358,253
Construction of new lines	501,948	423,026	318,300	277,218	58,987
Replacement (Rehabilitation) Works	6,009,844	8,705,316	261,526	..	..
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	15,328,748	15,618,442	15,620,370	15,359,214	16,438,260

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 1965* a sum of \$100,000. Under this and prior authorities sums amounting to \$303,037 had been expended up to and inclusive of 30th June, 1966.

Loco. Maintenance Depot, South Dynon.—In October, 1965, a final payment was made in connexion with this contract to make the total cost \$1,307,834. The major factor in the increase from the original contract sum of \$1,249,416 was the variation of the sub-contract for electrical installation resulting in additional costs for that work of \$79,060.

Princes Gate.—Advantage was taken of this developmental project to modernize signalling equipment in the area. Departmental expenditure on such improvements was recorded as \$248,968 to 30th June, 1966. Other railway expenditure in connexion with this project is being met by the contractors.

BALANCE-SHEET.

An abridged statement of the balances in the Railway accounts as at 30th June, 1965 and 1966 is as under :—

	1965	1966
	\$	\$
Rolling-stock, Plant, &c., at cost less depreciation	380,158,066	396,795,233
Stores and Materials	7,491,910	7,005,591
Partly-manufactured Articles	480,030	433,133
Refreshment Services, Stock and Equipment less provision for losses	620,114	762,656
Discounts and Expenses on Loans	5,179,044	5,399,091
Deferred Renewals, Replacements, and Maintenance Works ..	1,050,000	1,050,000
Funds at Treasury—		
Railway Accident and Fire Insurance Fund	200,000	200,000
Railway Charges in Suspense Account	3,970,766	4,557,592
Railways Stores Suspense Account	2,654,153	2,805,240
Railways Repayment Account	9,618	33,128
Advances to Agent-General	144,052	18,011
Trust Securities	4,362,056	3,848,307
Cash at Stations and in Transit	637,708	415,762
Cash Advances	1,500,024	592,316
Revenue Debtors	4,437,876	4,591,972
Sundry Debtors	1,335,448	1,551,181
Accumulated loss	133,279,136	138,842,054
	<u>547,510,001</u>	<u>568,901,267</u>
	1965	1966
	\$	\$
Loan Liability*	302,206,256	315,486,334
Funds for—		
Uniform Railway Gauge Works	31,208,484	31,112,647
Level Crossings Fund—Act No. 6229	4,499,202	4,838,134
Other Special Purposes	11,903,129	11,903,129
Special Works—Commonwealth Grant	1,172,000	1,172,000
National Debt Sinking Fund Reserve	44,143,520	47,311,375
Uniform Railway Gauge Sinking Fund Reserve	391,516	487,353
Railway Accident and Fire Insurance Reserve	200,000	200,000
Advances from the Public Account	1,213,374	1,566,334
Sundry Creditors	8,472,420	7,705,164
Trust Securities	4,371,672	3,881,435
Consolidated Revenue, &c.	137,728,428	143,237,362
	<u>547,510,001</u>	<u>568,901,267</u>

* The total loan liability is reduced by the equity in the National Debt Sinking Fund.

Discounts and Expenses on Loans.—The amount, \$5,399,091, at which these capitalized costs of loan flotations appear among the debit balances, is higher than the previous year by \$220,047. This is part of the loan liability but 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 \$200,000. 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 \$200,000 by appropriation from revenue of \$1,314,626 to meet the following expenditure in 1965–66. The expenditure in 1963–64 and 1964–65 is also shown :—

	1963–64	1964–65	1965–66
	\$	\$	\$
Damages recovered by non-employees at law	32,132	73,904	67,733
Damages paid to non-employees without legal action	49,908	5,396	5,873
Compensation for injuries to employees	855,530	1,063,466	943,645
Compensation for goods lost or damaged	189,738	269,958	221,279
Compensation for losses by fires caused by railway operations	1,716	1,458	9,839
Losses by fire to railway property	33,552	118,648	66,257
	<u>1,162,576</u>	<u>1,532,830</u>	<u>1,314,626</u>

Railway Charges in Suspense Account.—At 30th June, 1966, there was a credit balance of \$4,557,592. Details are :—

Credits—	\$
Salaries and Wages accrued	2,390,525
Taxation Deductions, &c.	559,841
Sundry Creditors for various services	970,806
Revenue rebates and refunds due	1,096,530
Amounts received in advance for works	606,497
	<hr/>
	5,624,199
Debits—	\$
Expenditure on works for other bodies, &c.	980,059
Sundry Debtors for sales and services	109,161
	<hr/>
	1,089,220
	<hr/>
	4,534,979
Add—Amount transferred from Income	22,613
	<hr/>
	4,557,592
	<hr/>

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. As at 30th June, 1966, the allocation from the Loan Fund for the purpose of the Account was \$9,000,000 which was represented by the following items :—

	\$
Stock on hand	7,005,591
Less Creditors for stores purchased	1,224,006
	<hr/>
Railways equity in the stock	5,781,585
Stores sold and proceeds not collected	395,240
Advances to the Agent-General, London	17,935
	<hr/>
	6,194,760
Balance held at Treasury	2,805,240
	<hr/>
	9,000,000
	<hr/>

The balance held at the Treasury takes into account a debit of \$112,000 for reduction of issues as at 30th June, 1966, and credits for “Material Charged Out In Advance”, \$206,581.

Stock on Hand.—\$7,005,591.—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 an account known as the “Stores Stock Equalization Account”. This account is used 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 :—

	\$	\$
Losses or reduction of values of stores	27,212	..
Costing adjustments—		
Losses	27,192	..
Profits .. .. .	..	35,098
Other credits .. .. .	..	4,549
Debit balance 30th June, 1966, written off to Working Expenses .. .. .	..	14,757
	<hr/>	<hr/>
	54,404	54,404
	<hr/>	<hr/>

Debtors.—The amounts outstanding at 30th June, 1964, 1965 and 1966, are shown :—

	1964	1965	1966
	\$	\$	\$
Revenue services rendered	4,049,684	4,437,876	4,591,972
Works	1,580,760	1,072,990	980,059
Sales of general stores	210,986	138,068	395,388
Sundry sales and services	71,874	101,074	109,162
Sales of land	48,866	23,316	66,572
	<u>5,962,170</u>	<u>5,773,324</u>	<u>6,143,153</u>

The item, “Debtors—Works” includes a number of accounts which have been outstanding for more than two years.

Level Crossings Fund.—Moneys in the fund are applied towards, “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 \$338,932 in the year 1965–66, was \$4,838,134 to 30th June, 1966. This latter amount is in the balance-sheet as part of the total expenditure on capital works.

Advances from the Public Account, \$1,566,334.—Periodically, adjustments are made between Railway Income and Treasury Advances by means of the retention at the Railways of collections to the extent necessary for the purpose. During the year, adjustments of this nature resulted in the payment into the Railway’s Advance Account from Railway Income of a total sum of \$619,000. Actually, as at the close of the year, Railway Income was under credited by \$22,613. In the Treasury, this amount was offset by a credit of a like amount to Railway Charges in Suspense Account.

Creditors.—A classification under broad headings at 30th June, 1964, 1965 and 1966, is shown :—

	1964	1965	1966
	\$	\$	\$
Stores purchased for railways	1,061,590	1,314,454	1,224,006
Stores purchased for refreshment services	62,618	53,122	58,061
Salaries and wages accrued	1,877,158	2,156,544	2,390,525
Income Tax Commissioner, &c.	443,286	499,974	559,841
Accounts for various services	1,403,384	1,079,942	970,806
Revenue rebates and refunds	648,592	1,025,170	1,096,530
Payments in advance for works	465,304	393,436	606,496
Payments in advance for revenue services, &c.	541,822	626,292	612,427
Cash accounts overdrawn .. .. .	..	1,323,486	186,472
	<u>6,503,754</u>	<u>8,472,420</u>	<u>7,705,164</u>

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.

—	1962-63.	1963-64.	1964-65.	1965-66.
—	\$	\$	\$	\$
Expenditure—				
Working Expenses	849,984	795,740	764,104	702,631
Contributions to Pension Funds	93,992	87,950	64,422	85,707
Contribution to Accident Fund	318	282	244	205
Pay-roll Tax	17,900	17,310	15,632	14,195
Depreciation	50,612	4,900	4,900	4,900
	1,012,806	906,182	849,302	807,638
Revenue	476,710	480,808	448,950	381,811
Loss for year	536,096	425,374	400,352	425,827

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

—	1962-63.	1963-64.	1964-65.	1965-66.
—	\$	\$	\$	\$
Sale of Coal	309,440	289,496	260,800	193,086
Electric Light and Power	142,526	149,532	153,376	159,226
Miscellaneous	24,744	41,780	34,774	29,499
	476,710	480,808	448,950	381,811

Operations in 1965-66 resulted in a loss of \$425,827 compared with the loss of \$400,352 in 1964-65.

The deficit on a cash basis in the Treasury was \$396,306. The difference of \$29,521 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 1962 to 1966 are shown hereunder :—

	1962-63	1963-64	1964-65	1965-66
	tons	tons	tons	tons
Railway Department	15,345	14,735	8,445	4,174
Electricity Commission	14,917	11,860	15,863	15,581
Employees	2,099	2,005	1,773	1,600
Public	2,830	4,023	3,105	1,286
Used in Mine's Works	14,293	13,561	13,070	13,297
	49,484	46,184	42,256	35,938

BALANCE-SHEET.

A statement of the State Coal Mine balances at 30th June, 1965, and 1966, is as under :—

	1965	1966
	\$	\$
Works, Machinery, and Plant at cost, less depreciation ..	617,804	584,661
Stores and Materials	40,404	37,084
Coal Stocks	6,564	4,651
Discounts and Expenses on Loans	1,282	1,282
Funds at Treasury—		
Depreciation Fund	139,160	173,139
Trust Fund—Charges in Suspense	18,794	19,390
Cash	11,844	10,554
Deposits on Contracts	4,664	4,762
Sundry Debtors	60,986	36,184
Accumulated Loss	10,013,582	10,439,409
	<u>10,915,084</u>	<u>11,311,116</u>
National Recovery Loan (non-interest bearing)	49,000	49,000
Advances from Public Account	37,724	33,571
Sundry Creditors	53,948	52,926
Depreciation Fund Interest Reserve	218,070	222,970
Sinking Fund	708,000	708,000
Advances from Consolidated Revenue	9,848,342	10,244,649
	<u>10,915,084</u>	<u>11,311,116</u>

Depreciation Fund.—Expenditure for the year amounted to \$12,259 but the Fund was augmented by credits of \$46,238. The major item in the credits was a receipt from the State Accident Insurance Office of an amount of \$39,814 to recoup damage caused by fire at Kirrak in October, 1964. Interest on investments provided \$4,900.

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 1961–66, 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.		
	\$	\$	\$	\$	\$
1961–62	2,356,382	4,608,434	7,941,334	6,725,546	1,215,788
1962–63	1,861,578	4,916,198	7,993,564	6,909,880	1,083,684
1963–64	2,018,660	5,050,572	8,152,916	7,055,972	1,096,944
1964–65	2,359,861	5,536,810	8,993,615	7,712,898	1,280,717
1965–66	2,380,734	6,467,591	10,129,042	8,895,699	1,233,343

The major variations in rates and charges during 1965–66 were as follows :—

(i) the irrigation charges were increased in the following irrigation districts :—

District.	Charge per Acre foot.		
	1964–65.	1965–66.	Increase.
	\$	\$	cents
Goulburn–Murray	1.70	2.00	30
Campaspe	1.70	2.00	30
Macalister	2.25	2.50	25

(ii) the irrigation charge was reduced in the Robinvale Irrigation District from \$8 per acre foot in 1964–65 to \$7.50 in 1965–66.

(iii) the rates in the Koo-wee-rup Flood Protection District, Carrum Drainage District and five urban districts were reduced to offset the effect of higher valuations by municipalities.

Of the total collectable sum, 87.8 per cent. was received during the year, as compared with 85.8 per cent. in the previous year. As amounts due for water sales do not bear interest until a date some months after the close of the year, consumers tend to defer payment of such amounts until late in the interest-free period. This affects the calculated percentage of collection. Using a different basis, that is, a comparison of the sum of the collection of current rates and charges (which do not include water sales) with the total amount assessed under those heads, the percentage of collection was 94.3 per cent. in 1965–66 compared with 93.6 per cent. in 1964–65.

A dissection of the collectable sum and the amount thereof owing at 30th June, 1966, is given in the statement hereunder :—

	Total Collectable Sum.	Arrears 30.6.66.
	\$	\$
Irrigation Districts	5,145,786	648,865
Waterworks Districts	1,264,273	77,403
Urban Districts	2,233,481	388,468
Flood Protection Districts	94,273	6,072
Drainage Districts	46,947	5,265
Coliban Districts	694,315	97,313
Sundries	649,967	9,957 (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 :—

	1963-64.	1964-65.	1965-66.
	\$	\$	\$
From Oncost—			
On loan expenditure at 10 per cent. ; on \$10,367,758 in 1963-64 ; on \$10,621,174 in 1964-65 ; and on \$9,859,544 in 1965-66	1,036,776	1,062,118	978,252*
At various rates (1 to 6 per cent.) on loan expenditure \$927,806 in 1963-64 ; \$1,178,458 in 1964-65 ; and \$2,206,364 in 1965-66	52,334	67,546	127,734
On other funds	25,982	57,730	25,521
From Repayments on account of works temporarily financed from Consolidated Revenue	221,676	265,732	234,807
From Salary recoups—River Murray Commission and other funds	931,276	1,017,402	1,077,806
	<u>2,268,044</u>	<u>2,470,528</u>	<u>2,444,120</u>

* \$7,702, not charged in 1965-66, is to be adjusted in the financial year 1966-67.

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 1961-66 is given in the table hereunder :—

—	Receipts, Including Recoups.	Expenditure.			Cash Deficit.	Loan Expenditure.
		General.	Debt Charges.	Total.		
	\$	\$	\$	\$	\$	\$
1961-62	9,731,266	8,502,830	12,106,722	20,609,552	10,878,286	15,911,408
1962-63	10,018,350	8,586,370	13,001,894	21,588,264	11,569,914	16,107,772
1963-64	10,777,870	8,792,976	13,599,286	22,392,262	11,614,392	16,588,686
1964-65	11,538,002	9,478,646	14,507,376	23,986,022	12,448,020	17,424,174
1965-66	12,777,139	9,971,428	15,616,019	25,587,447	12,810,308	17,692,875

NOTE.—The summary does not include expenditure amounting to \$60,000 in 1961-62 and \$25,110 in 1962-63 financed from Special Works Trust Account—Commonwealth Grant.

As the summary indicates, there was an increase in expenditure of \$1,601,425 (including an increase of \$1,108,643 in debt charges) offset by an increase in revenue of \$1,239,137. Thus the net increase in the cash deficit between 1964-65 and 1965-66 was \$362,288.

Included in the departmental payments from revenue and loan in 1965-66, shown above, is expenditure estimated to have amounted to \$303,516 incurred in the investigation and measurement of the discharge of rivers and the investigation and measurement of underground water resources. In respect of this and certain expenditure by other government authorities, the State has received from the Commonwealth, by way of advance, an amount in terms of the *States Grants (Water Resources) Act 1964*. Particulars of this advance and the relevant legislation are given at page 10 of this Report.

Works Expenditure.—Included in the loan expenditure for the year 1965-66 shown in the foregoing statement, is a sum of \$13,171,895 in respect of works undertaken by the Commission. The principal items were :—

	<i>Nature of Works.</i>	\$
Irrigation Districts	Principally the remodelling and construction of main channels and drainage works	3,838,355
Buffalo River	Principally land compensation for landholders to be affected by the proposed second-stage storage on the Buffalo River	2,064,891
Bellfield Reservoir	Completion of storage of 60,000 acre feet to store water of Fyans Creek for use in the extensive Wimmera Mallee System	1,477,773
Nillahcootie Dam	Construction of a storage on the Broken River to serve irrigation and urban needs in the Broken River Valley	1,247,285
Mornington Peninsula System	The extension of pipelines and reticulation	1,136,935

Irrigation Districts Maintenance Equalization and Renewals Account.—The main purpose of this Account is to have moneys set aside therein to defray, as required, the cost of maintenance and renewal works in irrigation districts. The Account is credited each year with a sum equivalent to the total of the cash surpluses, if any, as shown by the accounts of the respective irrigation districts at the end of the last preceding financial year. Further, pursuant to the provisions of Section 68 of the *Water (Irrigation) Act 1959*, No. 6582, the Auditor-General is required to certify to such cash surpluses and it is within the discretion of the Treasurer whether the sum of the surpluses so certified shall be paid to the credit of the Account out of Consolidated Revenue or out of Loan Fund or partly out of each. In 1965–66, the necessary sum, \$260,272 was provided from Loan Fund.

Stores Suspense Account.—Up to and inclusive of 30th June, 1966, loan moneys amounting to \$2,412,000 have been made available for the purpose of financing this Account.

In the Treasurer's Trust Fund statement, as at 30th June, 1966, the balance at credit of the Water Supply Stores Suspense Account is shown as \$1,133,708. This amount is represented in the Commission's books by :—

	\$	\$
Balance available for purchases of stores, &c. . . . .	.. ..	499,484
<i>Plus Credit Balances of Plant Operating Accounts—</i>		
“ Hire Plant ” Accounts . . . . .	.. ..	530,385
Plant and Machinery Administrative Adjustment Account . . . . .	.. ..	103,839
		<u>634,224</u>
Balance—Water Supply Stores Suspense Account . . . . .	.. ..	<u>1,133,708</u>

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 allocations.

As at 30th June, 1965, the aggregate of the balances at credit of the several “ Hire Plant ” Accounts was \$685,192 as compared with \$530,385 as at the close of the year under review.

In the previous Report, reference was made to the amalgamation, as at 1st July, 1964, of the Plant Operating Reserve Account and the Interest Redemption and Administrative Account, in one Account under the name of the “ Plant and Machinery Administrative Adjustment Account ”. The net result of the transactions recorded in the new Account during the year 1965–66 are summarized hereunder :—

	\$	\$
Credit balance as at 1st July, 1965 . . . . .	.. ..	129,540
<i>Plus—Net excess of provisions on Repairs and Maintenance in “ Hire Plant ” sold</i>		
Proceeds from sale of tyres . . . . .	.. ..	27,103
Net miscellaneous adjustments . . . . .	.. ..	134
		49
		<u>27,286</u>
		156,826
<i>Less—Net loss on sale of plant and spare parts</i>		
Recoup of salaries of Mechanical and Plant Section . . . . .	.. ..	8,712
Net debit for Motor Vehicle Insurance on Hire Plant . . . . .	.. ..	30,632
Part cost of operating Central Plant Workshops . . . . .	.. ..	5,401
Depreciation and repairs to Garage equipment . . . . .	.. ..	7,607
		635
		<u>52,987</u>
Credit balance at 30th June, 1966 . . . . .	.. ..	<u>103,839</u>

During the year, plant and spare parts, the book value of which was \$19,787, were sold for \$11,075. The resultant net loss of \$8,712 was written off as shown in the foregoing statement. As indicated in previous Reports, the several accounts within the Stores Suspense Account in the departmental books allow of financial adjustments without Treasury knowledge. The Water Supply Stores Suspense Account in the Treasurer's Accounts should be appropriately divided in order to distinguish clearly the nature of the operations on the Account.

Stores.—According to Commission records, the book values of plant, tools and general stores at 30th June, 1966, were :—

	Plant.	Tools and Stores.
	\$	\$
At Construction Works	272,912	489,487
Stores Suspense Accounts (Depots)	229,363	1,485,005
At Central Plant Workshops (Suspense Accounts)	22,453	220,583
At Central Plant Workshops pending transfer or disposal	35,384	72,412

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.

In the 1959–60 Report, reference was made to a loss on the sale of items of surplus stores. It was stated then that the method of accounting for this loss in Treasury and Commission financial records had yet to be determined. An amount of \$51,651 in respect of the loss is still held in an Account titled "Loss on Sale of Surplus Stores" within the Stores Suspense Account.

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 \$171,238. The capital liability at 30th June, 1966, in respect of this class of plant and machinery was \$3,446,514.

Under the provisions of the Water Act, the cost of this plant and machinery is not charged directly to any district, but, when such plant and machinery is 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, 1966, the balance in the Fund for the replacement of hire plant and machinery was \$1,792,950.

Measurement of the adequacy of the Fund for the purposes for which it was established requires information relating to the cost of the "hire plant" which is not readily available from the Commission's financial records.

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 forming part of 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 1965–66 was \$434,490 which included \$1,996 on account of Eildon Sewerage. On the other hand, in recent years, no payment has been made to the Fund and, as at 30th June, 1966, no balance was held in the Fund. At the same date, the balance of the Account was \$3,702,547 including \$17,437 in respect of Eildon Sewerage.

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

Payments into the Fund totalled \$127,041 and expenditure amounted to \$218,848. The balance at the close of the year was \$217,863.

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 \$493,010.

In 1965–66, under the authority of Water Supply Loan Application Acts Nos. 7218 and 7326, Victoria contributed \$644,000 for the construction of works, bringing the State's total contribution for construction as at 30th June, 1966, to \$12,236,390. Also, \$206,800 was contributed from Consolidated Revenue for maintenance and administrative expenses.

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

The 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 \$539,061 and expenditure, including refunds of contributions, amounted to \$359,350. The balance in the Account at the close of the year was \$369,886.

Waterworks Trusts.—Supervision of Waterworks Trusts is vested in the State Rivers and Water Supply Commission. The accounts of the Trusts 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. In terms of an item in the annual Appropriation 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 \$36,368.

In 1965–66, advances to various Trusts by the State amounted to \$2,403,431. Repayments by Trusts on account of advances amounted to \$107,277, and certain Trusts were relieved of liability to the extent of \$427,323. This sum, by direction of the Governor in Council, is to be borne by the State. In addition, eight Trusts were relieved of liability by amounts totalling \$28,374 by write-off under Act No. 7258. The net increase during the year in the Trusts' indebtedness for State loans was \$1,840,457.

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 17·5 cents in the dollar of net annual valuation. Under this authority, eleven Waterworks Trusts were so assisted in 1965–66 and the total amount involved was \$6,315.

River Improvement Trusts.—To 30th June, 1966, twenty River Improvement Trusts and four 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 cent. on debenture loans raised by Trusts is recouped by the State. The amount provided by the State in 1965–66 for this purpose was \$3,446.

Advances by the State in 1965–66 totalled \$440,000. Repayments in respect of advances amounted to \$1,815 and the Trusts were relieved of liability to the extent of \$205,853 which the Governor in Council directed to be borne by the State, so that the net increase in the Trusts' indebtedness for State loans was \$232,332.

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 \$820,216.

Advances by the State in 1965–66 totalled \$642,600. Repayments in respect of advances amounted to \$17,569 and the Authorities were relieved of liability to the extent of \$152,685 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 \$472,346.

In addition, the State advanced \$695,491 to the Latrobe Valley Water and Sewerage Board for works for the supply of water and the treatment or disposal of waste.

Eildon Sewerage District.—During the year, the Commission continued to exercise and discharge the powers and duties of the Eildon Sewerage Authority. Expenditure on the sewerage works amounted to \$499,810 of which \$207,600 only was allocated as the capital liability of the sewerage district.

Rates and miscellaneous charges levied in 1965–66 totalled \$14,371 of which \$14,016 or 97·5 per cent. was paid during the year. Costs chargeable to the district amounted to \$11,981 plus depreciation \$1,996.

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 1965-66, \$494,747,640 and credits, \$497,945,516.

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

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

Account or Fund.	Purpose for which Established.	1965-66.		Balance 30th June, 1966.	
		Debits.	Credits.		
		\$	\$	\$	
Agricultural Suspense Account	To enable the Collector of Imposts at each respective location to pay his collections to the Receiver of Revenue each day pending allocation of the credits to the proper head of account at the end of a period.	2,436,500	2,436,500	..	
Education Suspense Account		3,458,221	3,458,221	..	
Forests Suspense Account ..		5,625,641	5,625,641	..	
Police Suspense Account ..		2,771,170	2,771,170	..	
Public Works Suspense Account		853,246	853,246	..	
Rural Finance and Settlement Suspense Account		5,261,759	5,261,759	..	
State Rivers and Water Supply Commission Suspense Account		9,665,065	9,665,065	..	
Tourist Development Suspense Account		3,709,329	3,709,329	..	
Blackberry Control Research Account		To receive grants from the Australian Dairy Produce Board for research into and the development of improved methods of blackberry control by the Vermin and Noxious Weeds Destruction Board.	3,409	6,486	3,077
Clerk of Petty Sessions, Melbourne, Trust Account		To receive trust moneys held by the Clerk of Petty Sessions, Melbourne, in excess of current requirements.	..	25,000	25,000
Country Roads Board Security Account	To record the receipt and disposal of cash deposits lodged with the Country Roads Board as security for the satisfactory performance of contracts.	70,796	254,771	183,975	
Additional Public Instruction, Scholarship and Prize Fund— James and Sarah Payterson	A scholarship established by an endowment by Mr. J. O. Payterson as a memorial to his parents.	..	1,000	1,000	
Fisheries and Wildlife Research Trust Account	To record the disbursement of unexpended donations made to the Fisheries and Wildlife Branch for research purposes which were previously recorded in various accounts within the Trust Fund; and to record the receipt and disbursement of future donations made to that Branch for scientific research and other purposes.	3,351	18,921	15,570	
Payroll Deductions Suspense Account	To hold income tax deductions made from payrolls of State Departments and Authorities pending payment each month to the Commonwealth Taxation Department.	33,619,029	34,801,807	1,182,778	
Petroleum Products Subsidy Account	To account for funds received from the Commonwealth in accordance with the Scheme formulated under the provisions of the Commonwealth's <i>States Grants (Petroleum Products) Act 1965</i> . (Further details of this Account are given at page 83).	666,156	736,713	70,557	
Public Solicitor's Trust Account	To receive moneys held in trust by the Public Solicitor in excess of current requirements.	..	40,000	40,000	
State Grants (Science Laboratories) Trust Account 1965	To account for grants received in 1965-66 from the Commonwealth in terms of the Commonwealth's <i>States Grants (Science Laboratories and Technical Training) Acts</i> . A similar account was in operation in 1964-65 for grants received for both purposes in that year. In 1965-66, to facilitate accounting, a separate account was established for each type of grant. (Further details of these Accounts are given at pages 36 and 60).	2,325,192	2,799,200	474,008	
State Grants (Technical Training) Trust Account 1965		336,100	336,100	..	
Tower Hill Natural History Museum Trust Account	To receive contributions from the public and other sources towards the cost of the erection of a Natural History Museum at the Tower Hill State Game Reserve. (This Account was later closed and the balance transferred to the "Fisheries and Wildlife Research Trust Account".)	2,296	2,296	..	

By direction of the Treasurer under the authority of sub-section (4) of Section 8 of the *Public Account Act* 1958, several Trust Funds, in respect of which appropriate particulars are given hereunder, were closed during the financial year 1965-66.

Account.	Balance as at date of closing.	Remarks.
B.P. Benthic Survey Trust Account ..	\$ 2,949	These accounts were established to record the receipt and disbursement of grants and/or donations for specific projects of the Fisheries and Wildlife Branch. To facilitate administration, one account—"Fisheries and Wildlife Research Trust Account"—was opened during the year (refer page 75) and the respective balances were transferred to that account.
I.C.I. Duckbanding Trust Account ..	9,146	
M. A. Ingram Seal Research Account ..	4,460	
Tower Hill Natural History Museum Trust Account	2,296	

For convenience in explaining the funds and accounts within the Trust Fund, the relevant figures for 1965-66 are set out under broad classifications in the table below :—

	Balance Forward.	1965-66.		Balance 30th June, 1966.
		General Account.			General Account.
	<i>Investments.</i>	Debits.	Credits.	<i>Investments.</i>
	\$	\$	\$	\$
Compensation and Insurance ..	26,589,042	39,119,075	41,945,404	29,415,371
	9,812,968	1,284	2,059,000	11,870,684
Superannuation and Pension ..	848,476	1,862,072	2,099,601	1,086,005
	21,216,024	5,021,752	132,000	16,326,272
Depreciation	1,637,779	2,843,650	2,841,525	1,635,654
	1,865,200	250,000	..	1,615,200
Deposit	959,004	433,020	570,367	1,096,351
	420,242	..	..	420,242
Railways	6,668,598	119,284,446	120,045,869	7,430,021
Commonwealth	7,875,352	97,323,799	96,210,687	6,762,240
Commonwealth—State	635,732	363,885	467,794	739,641
Other—Regulated by Statute ..	14,216,210	151,480,724	153,401,793	16,137,279
	690,480	200	6,000	696,280
Other—Not Regulated by Statute ..	1,567,926	76,693,962	78,088,480	2,962,444
	682,289	300	4,600	686,589
	60,998,119	489,404,633	495,671,520	67,265,006
	34,687,203	5,273,536	2,201,600	31,615,267
Securities Lodged with Treasurer	15,196,093	69,471	72,396	15,199,018
Total General Account	60,998,119	489,404,633	495,671,520	67,265,006
Total Investments and Securities Lodged ..	49,883,296	5,343,007	2,273,996	46,814,285
Grand Total	110,881,415	494,747,640	497,945,516	114,079,291

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	56
Railway Accident and Fire Insurance Fund	65
State Accident Insurance Fund	91
State Motor Car Insurance Fund	93

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, 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 \$30,000 from the Assurance Fund. That Act provides also for a yearly charge against revenue of \$4,000, and for the crediting of the Fund with the interest on the balance of the Fund in excess of \$30,000. In 1942-43, it was deemed necessary to increase the Fund to \$200,000 and, in recent years, additional contributions totalling \$1,294,000 have been provided from Consolidated Revenue.

The following statement shows expenditure from the Fund and the balances at credit thereof from 1961-62 to 1965-66.

Year.	Expenditure.	Balance at 30th June.		
		Investments.	Cash.	Total.
	\$	\$	\$	\$
1961-62	139,512	70,000	774,416	844,416
1962-63	98,318	70,000	683,600	753,600
1963-64	29,196	70,000	661,902	731,902
1964-65	38,010	70,000	631,392	701,392
1965-66	34,377	70,000	604,516	674,516

In terms of the Act establishing the Fund, the present cash balance in excess of \$30,000 should be invested. 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 because of 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 \$50,000 at credit of the Fund at the close of the financial year.

Receipts for the year, including \$3,534 recouped from certain estate agents, totalled \$93,019 and claims paid amounted to \$38,522. The surplus of \$54,497 on the year's operations was transferred to Consolidated Revenue leaving the statutory maximum in the Fund, namely, \$50,000.

Motor Car (Hospital Payments) Fund.—The revenue of this Fund is derived from an amount of 18 cents 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	1,324,178	1,168,014	156,164
1958–63	776,734	761,692	171,206
1963–64	182,870	171,138	182,938
1964–65	192,134	182,938	192,134
1965–66	202,374	192,134	202,374

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, the Pensions Supplementation Fund and the Married Women Teachers' Pensions Fund do not form part of the Public Account and reference to these latter funds will be found in my Supplementary Report on the accounts of certain statutory bodies.

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, damages awarded to members of the Force and certain penalties are credited to the Fund, together with a statutory annual contribution of \$46,000 from the Licensing Fund. The State's contribution is fixed at \$4,000 annually, plus any further amount directed by Parliament to be applied to the liquidation of pensions authorized. No additional contribution was provided in 1965–66. Damages awarded and penalties amounted to \$100,013 and interest on the sum invested amounted to \$32,550.

Pension payments from the Fund totalled \$26,012 which was \$2,266 less than the figure for the previous year.

The *Pensions Supplementation Act 1966* provided that there shall be paid to the Pensions Supplementation Fund, administered by the State Superannuation Board, the amounts standing to the credit of the Police Superannuation Fund as at 30th June, 1965, and on each succeeding 30th day of June.

To 30th June, 1966, no such payment had been made and the unexpended balance of the the Fund at that date was \$1,415,653 including investments, \$612,250 (face value \$620,000).

Police Pensions Fund.—This Fund was, until 1st February, 1964, the sole statutory fund out of which pensions or gratuities were payable to members of the Police Force appointed on or after 25th November, 1902.

Contributions by the State, interest on investments and the appropriate deductions from pay of those members of the Force remaining as contributors to this scheme are credited to the Fund. The State's contribution is fixed at \$100,000 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. In 1965–66, the additional contribution amounted to \$280,000.

The *Superannuation Act* 1963 (No. 7081) entitled members of the Force, with some exceptions and under certain conditions, to elect to become officers under the *Superannuation Act* 1958 and thereby participate in the State superannuation scheme administered by the State Superannuation Board. The Act further provided that—

- (i) in respect of certain of these “electing” members of the Force, there were to be transferred from the Police Pensions Fund to the State Superannuation Fund such moneys and securities (if any) as were certified by the Government Statist to be appropriate in the circumstances ;
- (ii) if an actuarial investigation disclosed that the assets of the Fund exceeded the amount necessary to meet all of its current and future liabilities, then such excess was to be certified by the Government Statist and transferred to a “Surplus Revenue Account” within the Fund ; and
- (iii) moneys standing to the credit of such Surplus Revenue Account were to be paid to Consolidated Revenue as the Treasurer determined.

In accordance with the provisions of the Act as outlined above and on the basis of actuarial certifications by the Government Statist, the following transactions were effected during the year :—

- (i) securities with a face value of \$4,692,800, representing, with accrued interest thereon, a sum of \$4,718,984, were transferred from the Police Pensions Fund to the State Superannuation Fund ; and
- (ii) in addition to the sum of \$3,137,940 transferred to the Surplus Revenue Account within the Police Pensions Fund and subsequently, as determined by the Treasurer, paid to Consolidated Revenue as at 30th June, 1965, a further sum of \$9,262 was so transferred and subsequently paid to Consolidated Revenue.

The comparative summary for the past three years of the Police Pensions Fund, furnished below, indicates the effect which the amending legislation has had on the receipts and disbursements of the Fund.

	1963-64.	1964-65.	1965-66.
<i>Receipts.</i>	\$	\$	\$
Deductions from pay	458,524	53,552	55,033
Contributions from Consolidated Revenue	100,000	100,000	380,000
Interest on Investments	1,153,678	1,110,854	804,538
Surplus on disposal of investments	62,906	..	8,810
Surplus Revenue Account—Transfer from General Fund .. .. .	..	3,137,940	9,262
Balance in hand—1st July	24,002,366	23,999,588	19,281,922
	25,777,474	28,401,934	20,539,565
<i>Disbursements.</i>			
Pensions	1,468,534	1,457,242	1,462,865
Gratuities	45,700	45,292	23,746
Deductions refunded—on resignation	41,268	10,250	9,805
Deductions refunded—on Transfer to the State Superannuation Scheme	222,384	1,331,348	..
Transfer to Surplus Revenue Account .. .. .	..	3,137,940	9,262
Surplus Revenue Account—Transfer to Consolidated Revenue— Act No. 6338, Sec. 55 (5A) .. .. .	..	3,137,940	9,262
State Superannuation Fund :— Act No. 7081, Section 9 .. .. .	..	..	657
Transfer of Securities, Act No. 7081, Sections 6 and 7 .. .. .	..	..	4,692,800
	1,777,886	9,120,012	6,208,397
Balance, 30th June	23,999,588	19,281,922	14,331,168
Represented by :—			
Investments	*22,476,490	*19,273,490	14,290,500
Cash	1,523,098	8,432	40,668
	23,999,588	19,281,922	14,331,168

* Face value of Investments 1963-64, \$22,485,300, 1964-65, \$19,282,300.

At 30th June, 1966, the investments of the Fund comprised Commonwealth Government Inscribed Stock, \$11,440,500, and securities of the Melbourne and Metropolitan Board of Works, \$1,800,000, State Electricity Commission, \$150,000, Gas and Fuel Corporation, \$810,000, and the Melbourne Harbor Trust, \$90,000—a total of \$14,290,500.

Parliamentary Contributory Retirement Fund.—The Constitution Act Amendment Act 1958, as amended, limits payment of benefits from this Fund to persons who, before 6th January, 1963, ceased to be members of the Parliament of Victoria, or to the widows or personal representatives of deceased members or ex-members who were in receipt of a pension.

Funds required to meet benefits payable are specially provided for the purpose from Consolidated Revenue. The amount so provided in 1965–66 was \$103,878.

Parliamentary Superannuation Fund.—This Fund was established pursuant to the provisions of the *Parliamentary Contributory Superannuation Act 1962*, as amended by the *Parliamentary Salaries, Pensions and Superannuation Act 1964*. In terms of the Act, members are required to contribute to the Fund by way of deduction from salary and, to the extent necessary, Consolidated Revenue may be applied for the purpose of meeting the benefits under the Act. These benefits are payable to persons who, after 6th January, 1963, ceased to be members of the Parliament of Victoria or to the widows or personal representatives of deceased members or ex-members who were receiving benefits at the time of death. The amending Act—the *Parliamentary Salaries, Pensions and Superannuation Act 1964*—provides for a higher rate of deduction from salary and for increased benefits, and applies in relation to persons who were members at 6th December, 1964, or who became members subsequent to that date.

Transactions during 1965–66 in respect of this Fund were :—

	\$	\$
Balance 1st July, 1965		338,894
Receipts—		
Members' Contributions	64,608	
Interest on Investments	16,409	
	<hr/>	81,017
		<hr/>
		419,911
Payments—		
Pensions		34,211
		<hr/>
Balance 30th June, 1966		385,700
Represented by—		
Investments (Face Value \$356,180)		355,992
Cash		29,708
		<hr/>
		385,700
		<hr/>

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

The following summary sets out the transactions in the Fund during 1965–66 :—

	\$	\$	\$
Balance 1st July, 1965—			
Investments	1,007,544		
General Account	2,904		
	<hr/>	1,010,448	
Receipts—			
Deductions from Earnings		69,127	
Interest on Investments		54,233	
		<hr/>	1,133,808
Payments—			
Pensions		48,155	
Fee—Actuarial Valuation of Fund		320	
		<hr/>	48,475
Balance 30th June, 1966—			
Investments	1,059,592		
General Account	25,741		
		<hr/>	1,085,333
			<hr/>
			1,133,808
			<hr/>

Investments comprise inscribed stock of the Commonwealth Government, \$178,100, the State Electricity Commission, \$574,500, the Melbourne and Metropolitan Board of Works, \$76,600, the Melbourne Harbor Trust, \$40,000, the Grain Elevators Board, \$68,000, and a Registered First Mortgage over the Pilot Vessel "Akuna", \$122,392.

Depreciation.

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

Fund.	Page Reference No.
Forests Plant and Machinery Fund	47
Printing Machinery Depreciation Fund	50
Public Works Plant and Machinery Fund	61
Railway Renewals and Replacements Fund	64
Water Supply Plant and Machinery Depreciation Fund	73
Water Supply Works Depreciation Fund	73
Irrigation Districts Maintenance Equalization and Renewals Account ..	72

The Maffra Sugar Factory Depreciation Fund, with a balance of \$9,200, 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, an amount of \$368, representing interest on investments, was so transferred.

Deposit.

Items under this heading comprise securities lodged by Insurance and Trustee Companies, \$140,000 ; Contractors' and Timber Cutters' deposits, \$446,872 ; Municipalities Loan Repayment Account, \$857,947, which includes investments totalling \$280,242 ; Sundry Investments—Interest Account, \$70,521 ; and State Coal Mines Deposit Account, \$1,253.

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	62

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	40
La Trobe University (Commonwealth Subsidy) Account	La Trobe University ..	43
Monash University (Commonwealth Subsidy) Account	Monash University ..	42
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	96
" " " No. 2 Account	61
Rural Rehabilitation Fund—See under Rural Finance and Settlement Commission in Supplementary Report	—
State Grants (Science Laboratories and Technical Training) Trust Account, 1964	36 & 60
State Grants (Science Laboratories) Trust Account, 1965	36 & 60
State Grants (Technical Training) Trust Account, 1965	36 & 60

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 Health 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 1964–65 and 1965–66 :—

—	1964–65.	1965–66.
	\$	\$
Balance 1st July	192,342	221,734
Received from Commonwealth during the year ..	4,396,924	4,000,000
	4,589,266	4,221,734
Reimbursements to Public Hospitals, &c.	4,367,532	4,201,113
Balance 30th June	221,734	20,621

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 Trust Fund called the "Home Builders' Account". The moneys available are administered by the Registry of Co-operative Housing Societies, advances being made to the Registry from the Account as required.

The total advances to the Account by the Commonwealth from the commencement of the operation of the Agreement to 30th June, 1966, amounted to \$67,814,000. During the period, the Commonwealth has varied its interest charge on its advances for the purpose of the scheme. In 1965–66, the interest rate operating was $4\frac{1}{4}$ per cent.

Repayments by the co-operative housing societies provide additional funds for the Home Builders' Account and form a "revolving fund" within the Account. To 30th June, 1966, these repayments amounted to \$29,304,918.

From time to time, advances are made from the Public Account under the authority of the *Public Account Act* 1958, pending receipt of funds from the Commonwealth. All advances from the Public Account under this Act were repaid in the year. The Home Builders' Account is charged interest on these advances at the rate allowed by the contracting banks on the Public Account. In calculating this interest, no allowance has been made for credits in the Public Account arising from repayments by the co-operative housing societies.

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 to other institutions as may be approved, at the request of the State, by the responsible Commonwealth Minister. The total of the advances to 30th June, 1966, was \$82,583,744. All of this sum was made available to co-operative housing societies—\$72,483,036 at an interest rate of 4½ per cent. and \$10,100,708 at an interest rate of 4⅝ 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 \$239,746. The accumulated interest surplus to 30th June, 1966, was \$1,034,613.

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

<i>Source of Funds—</i>	\$
Balance 1st July, 1965	1,947
Advanced by Commonwealth Government	9,337,800
Interest and Repayments of Principal and amounts lodged under the Commonwealth Home Savings Grant Scheme	6,164,860
Total Funds Available	15,504,607
 <i>Disbursement of Funds—</i>	
Advances to Registry from Home Builders' Account	11,350,000
Interest and Redemption—Commonwealth Advances	2,775,926
Interest on Advances from Public Account	6,713
Total Disbursements	14,132,639
Balance 30th June, 1966	1,371,968
	15,504,607

Petroleum Products Subsidy Account.—The Commonwealth's *States Grants (Petroleum Products) Act 1965* provides for grants of financial assistance to each State equal to the amounts expended by that State by way of subsidy on the distribution of petroleum products in country areas in accordance with a scheme formulated by the Commonwealth Minister for Customs and Excise. The State's *Petroleum Products Subsidy Act 1965* provided the necessary complementary legislation to enable Victoria to participate in the scheme.

The scheme formulated by the Minister in relation to this State commenced on 16th September, 1965. Up to and inclusive of 30th June, 1966, payments to distributors of petroleum products totalled \$666,156.

Commonwealth—State.

The principal item under this classification is the Commonwealth—State Local Public Works Account with a balance of \$619,702. From 1st July, 1935, to 30th June, 1945, a total of \$1,096,000 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 \$476,298. Since that date, there have been no further transactions on the Fund and, as stated in previous Reports, there would appear to be no necessity for its retention.

Another account—the Commonwealth—State Sirex Trust Account—which has been classified under this head is discussed under "Forests" at page 44.

Other—Regulated by Statute.

The balances of funds under this heading aggregated \$16,833,559. 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	95
Dried Fruits Fund	106
Forestry Fund	44
Forests Roads Account	46
Forests Stores Suspense Account	46
Licensing Fund	17
Public Works Stores Suspense Account	61
Roads (Special Projects) Fund (See also under Melbourne and Metropolitan Board of Works in Supplementary Report)	31 & 96
Tourist Fund	102
Transport Regulation Fund	104
Water Supply Stores Suspense Account	72
Workers Compensation Board Fund	107

Comments on several other funds classified under the above heading 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 the Board's 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 1965–66 in relation to this Fund were :—

Balance, 1st July, 1965	\$	\$
	..	95,842
Receipts—		
Loan Fund Contribution	140,000	
Revenue Contribution	130,000	
Revenue from Operations (Canteen and Produce Sales, &c.)	8,602	
Timber Royalties	458	
Donations	2,316	
Maintenance Payments	1,778	
Rent	7,411	
Collections, Electricity Costs	347	
Recoup, Part Fencing Costs	780	
Rebate of Payroll Tax	4,424	
Miscellaneous	1,054	
	297,170	
		393,012
Payments—		
Assistance to Aborigines	211,871	
Administration, &c. Costs	78,163	
	290,034	
Balance, 30th June, 1966 .. .. .	..	102,978
		393,012

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 \$50,000 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 :—

	1964-65.	1965-66.
	\$	\$
<i>Source of Funds—</i>		
Balance from previous year	64	56
<i>Government Contributions :—</i>		
Special Appropriation—Act No. 6240.	50,000	50,000
Departmental Vote—Education*	121,778	118,820
<i>Fees and proceeds :—</i>		
Classes, Lectures and Discussion Groups	83,244	100,169
Schools and Conferences	14,106	20,729
Community Arts Service	1,494	2,099
Miscellaneous	1,492	1,597
	272,178	293,470
<i>Disbursement of Funds—</i>		
Administration—Salaries	91,412	100,445
Administration—General Expenses	60,094	59,287
	151,506	159,732
Classes, Lectures and Discussion Groups	82,774	92,860
Schools and Conferences	13,624	22,753
Community Arts Service	8,474	9,352
<i>Russell-street Centre :—</i>		
Maintenance and operating costs	13,230	5,742
Equipment and improvements	1,290	340
Miscellaneous	1,224	1,690
	272,122	292,469
<i>Leaving a balance of</i>	56	1,001
	272,178	293,470

* Includes an amount equivalent to rentals received into Consolidated Revenue in respect of Russell-street premises, 1964-65, \$11,078 ; 1965-66, \$8,820.

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 \$36,539,646 was available in the Hospitals and Charities Fund for distribution. This amount was provided by :—

	\$
Special Appropriation, Act No. 6274	1,600,000
Special Appropriation, Act No. 6353—Totalizator Receipts	8,460,302
Special Appropriation, Act No. 6390—Tattersall Receipts	5,994,431
Grants—Division 72	20,480,000
	36,534,733
Balance forward from 1964-65	4,913
	36,539,646
Expenditure for the year	35,999,997
Leaving a balance of	539,649

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

	1963-64	1964-65	1965-66
	\$	\$	\$
Maintenance—			
Hospitals	27,044,640	28,998,444	31,088,321
Benevolent Homes & Hospitals for the Aged ..	1,603,158	1,869,976	2,135,493
Children's Homes	332,094	337,894	333,698
Foundling Homes and Refuges	179,986	179,836	179,433
Philanthropic Associations	121,666	140,352	177,513
Ladies' Benevolent Societies	11,000	11,590	11,000
Medical Dispensaries	42,636	41,162	41,840
Ambulance Services	535,194	589,724	621,414
Hostels for the Aged	92,060	104,002	118,133
Other Institutions	284,176	326,734	367,144
Public Risk Insurance	47,736	48,054	45,751
Hospitals Superannuation Board .. .. .	..	..	27,500
	<u>30,294,346</u>	<u>32,647,768</u>	<u>35,147,240</u>
Less refund from Commonwealth Blood Transfusion Service	121,470	128,612	144,124
	<u>30,172,876</u>	<u>32,519,156</u>	<u>35,003,116</u>
Other—			
Transfer of Patients to Country Hospitals .. .. .	..	6	..
Costs Associated with Totalizator Receipts	28,624	28,374	31,285
Training of Officers	27,174	19,560	29,098
Recruitment and Training of Nurses	63,922	74,054	81,443
Preliminary Schools for Nurses	258,126	271,490	319,790
Post-graduate Training of Nurses	32,992	31,408	36,000
Administration Costs	413,246	447,178	495,812
Hospital Magazine	3,040	8,774	3,453
	<u>31,000,000</u>	<u>33,400,000</u>	<u>35,999,997</u>

The increase in Administration Costs was due mainly to general salary increases granted to the Commission's staff during the financial year 1965-66.

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 \$11,050,000. Details of payments to individual hospitals, &c., are shown in the Treasurer's Finance Statement, pages 166 to 169.

Level Crossings Fund.—Under the *Country Roads Act 1958*, this 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 past two years are summarized hereunder :—

	1964-65		1965-66	
	\$	\$	\$	\$
Balance 1st July	397,816		733,972	
Receipts—				
Additional Registration Fees	761,704		752,249	
	<u> </u>	1,159,520	<u> </u>	1,486,221
Expenditure—				
By Railway Department	311,246		338,932	
By Country Roads Board	114,302		125,990	
	<u> </u>	425,548	<u> </u>	464,922
Balance 30th June .. .. .	..	733,972	..	1,021,299

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 1964–65. At 30th June, 1966, the accumulated balance of the Account was \$1,648,239.

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 1965–66, duty paid amounted to \$6,294,431. The sum of \$300,000 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 30th June, 1966 :—

<i>Receipts.</i>	During the Year.	Total.
	\$	\$
Balance 1st July, 1965	41,758	..
Special Appropriations— <i>Tattersall Consultations Act 1958</i>	300,000	7,279,346
	341,758	7,279,346
<i>Payments.</i>	During the Year.	Total.
	\$	\$
Capital Works .. .. .	..	622,000
Maintenance Works .. .. .	..	300,000
General Expenditure (State Institutions) .. .. .	..	3,360,216
Maintenance Grants (Other Institutions)	315,308	2,212,514
Mental Health Research (University of Melbourne)	14,000	148,000
Capital Grants (Other Institutions) .. .. .	..	624,166
	329,308	7,266,896
Balance 30th June, 1966	12,450	12,450

Milk Board.—The Board's operations in 1965–66 resulted in a revenue surplus of \$88,702, an increase of \$20,992, on the comparable figure for 1964–65. This rise can be attributed partly to rentals received from property the purchase of which was completed during 1964–65.

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 for 1965–66 are subject to audit.

1964–65.		1965–66.
\$		\$ \$
	<i>Revenue.</i>	
342,934	Milk Trading Revenue	390,945
28,442	Milk Shop Licence Fees	29,065
2,092	Milk Shop Licence Transfer Fees	1,800
..	Rentals	8,000
373,468		429,810
	<i>Expenditure.</i>	
111,492	Salaries	128,682
2,404	Pay-roll Tax	2,731
1,902	Rental of Premises	1,824
12,138	Travelling Expenses	11,013
11,984	General Expenses	16,352
152,212	Publicity Account—Appropriation	166,649
5,000	Improving Quality of Milk—Paid to Department of Agriculture	5,000
4,732	Building Maintenance	5,285
2,200	Interest	1,241
1,694	Depreciation	2,331
305,758		341,108
67,710	Surplus for the Year	88,702

The item—Publicity Account—Appropriation, \$166,649—is the provision from revenue to meet publicity costs incurred in promoting the consumption of milk. This appropriation, together with the sum of \$16,602 contributed by milk depots and carriers, was credited to the Publicity Account. Expenditure for publicity purposes charged to the Account in the year amounted to \$138,171.

At 30th June, 1966, the accumulated balance of the Publicity Account, \$83,604, was represented by fixed assets and stock for publicity purposes, \$29,524, sundry debtors, \$1,588, and cash at credit of the Milk Board Fund, \$52,492.

The Board's balances as at 30th June, 1965, and 30th June, 1966, were :—

30.6.65		30.6.66
\$		\$
2,477,820	Sundry Creditors—Trade	2,615,496
10,696	Sundry Creditors—Other	16,635
11,496	Milk Shop Licences Paid in Advance (Net)	12,111
<u>2,500,012</u>		<u>2,644,242</u>
Accumulated Funds—		
Accumulation Fund—		
967,584	Balance Brought Forward	1,035,294
67,710	Revenue Surplus for the year	88,702
<u>1,035,294</u>		<u>1,123,996</u>
38,524	Publicity Account	83,604
<u>1,073,818</u>		<u>1,207,600</u>
<u>3,573,830</u>		<u>3,851,842</u>
810,696	Milk Board Fund—Balance at Treasury	934,286
2,504,460	Sundry Debtors—Trade	2,653,328
1,388	Sundry Debtors—Publicity Account	1,588
		<u>2,654,916</u>
8,164	Office Equipment and Furniture <i>less</i> Depreciation	8,610
6,472	Motor Vehicles <i>less</i> Depreciation	5,516
218,540	Land and Buildings at cost	218,990
Publicity Account—		
Fixed Assets <i>less</i> Depreciation		
7,768	Pasteurization and Homogenizing Plant	6,992
7,536	Publishing Plant	6,674
6,724	Mobile Milk Promotion Units	9,791
882	Film Projector	749
		<u>24,206</u>
1,200	Publishing Stocks on Hand	5,318
		<u>29,524</u>
<u>3,573,830</u>		<u>3,851,842</u>

Trade debtors and creditors, for the most part, resulted from trading operations for the month of June, 1966.

Municipalities Assistance Fund.—Reference has already been made on page 57 under the Local Government section of this Report to subsidies of \$1,080,108 made from loan moneys to municipalities and other public bodies. 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 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 \$2,000.

Up to and inclusive of 31st December, 1964, one-half of the fees paid for licences by motor car drivers and motor driving instructors, less the costs of collection, provided the normal funds required to carry out the purposes of the Act. At that stage, the driver's triennial licence fee was Three dollars but, in accordance with an amendment to the *Motor Car Act* 1958 by the *Motor Car (Fines and Drivers' Licence Fees) Act* 1964, this fee was increased, as from 1st January, 1965, to Six dollars. Further, the *Local Government Act* 1958 was varied to provide that, instead of half the amount of all motor car drivers' licences, less costs of collection, being paid to the Fund, one-quarter of such amount was to be paid thereto. So far as the motor driving instructors' licence fees were concerned, the proportion payable into the Fund remained at one-half. The altered proportions had the effect that the Fund was left in the same position, in regard to receipts into the Fund, as would have applied had the fees not been increased.

When 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 Consolidated Revenue to meet such insufficiency.

A summary of operations in the Fund is :—

	1964-65		1965-66	
	\$	\$	\$	\$
Balance 1st July .. .. .	..	565,604	..	544,830
Contribution—Loan Fund .. .. .	..	400,000	..	400,000
Receipts from fees—Motor Car Drivers' and Instructors' Licences	603,122	..	714,524	..
Less Costs of Collection	81,840	..	59,197	..
		<u>521,282</u>	<u>655,327</u>	
		1,486,886	1,600,157	
Expenditure—				
Amount contributed to Country Fire Authority .. .. .	..	568,178	..	690,970
Amount contributed to Casual Fire Fighters Compensation Fund .. .. .	..	1,932	..	..
Subsidies to various Municipalities for works .. .. .	..	371,946	..	394,932
		<u>942,056</u>	<u>1,085,902</u>	
Balance, 30th June .. .. .	..	544,830	..	514,255
		<u>1,486,886</u>	<u>1,600,157</u>	

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, 1966, is given hereunder :—

	\$	\$
Balance, 1st July, 1965 .. .. .	..	18,024
Receipts—		
From Consolidated Revenue	68,215	
Loan Fund	181,000	
Repayment of Advances, other contributions, &c.	10,859	
	<u>260,074</u>	
		278,098
Payments—		
Grants to Committees of Management of National Parks and Advances for Works to the Public Works Department and Forests Commission, &c.	189,381	
Administration Costs	69,242	
	<u>258,623</u>	
Balance 30th June, 1966 .. .. .	..	19,475

In addition to the balance of \$19,475 at credit of the Fund, unexpended advances to the Public Works Department and the Forests Commission for works amounted to \$17,241 as at 30th June, 1966.

Other—Not Regulated by Statute.

Decentralization Fund.—The major portion of the year's expenditure of \$146,616 consisted of subsidies in respect of freight and electricity costs and grants towards meeting expenditure on road and drainage works.

Credits to the Fund have been :—

	\$
To 30th June, 1965	3,600,995
During the year—	
From Consolidated Revenue	100,000
	3,700,995

The Fund has been utilized as follows :—

Expenditure to 30th June, 1965	3,388,492
During the year—	
Power and Light Subsidies	10,800
Freight Subsidies	112,509
Road and Drainage Works	19,650
Removal of Plant, Machinery, Furniture, &c.	1,662
Bus Subsidies	609
Miscellaneous	1,386
	3,535,108
The balance at 30th June, 1966, was	165,887
	3,700,995

Details of amounts advanced from the Decentralization Fund and still to be repaid at 30th June, 1966, are given hereunder :—

	Advanced to 30th June, 1966.	Repaid. &c.	Outstanding 30th June, 1966.	Arrears.	
				Interest.	Principal.
	\$	\$	\$	\$	\$
Brickworks	41,098	14,571	26,527	10,617	20,525
Textile Industries	114,438	76,280	38,158	403	2,000
Foundries and Other Industries	205,364	109,847	95,517	14,205	67,806
	*360,900	200,698	160,202	25,225	90,331

* Includes interest capitalized, \$3,665.

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

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

Account.	Page Reference No.
Bennison Roding Trust Account	48
Country Roads Board Special Works Account	99
Municipalities Forest Roads Improvement Fund	101
State Rivers and Water Supply Commission Agency Trust Account	74
Tourist Bureaux Trust Account	103

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*, \$15,065,184, and to a Geelong Harbor Trust debenture securing the outstanding balance of an advance, \$123,508.

STATE ACCIDENT INSURANCE OFFICE.

Operations of this Office for the year resulted in a net profit of \$1,530,975. This profit has yet to be appropriated, as at 30th June, 1966, in terms of Section 68 of the *Workers Compensation Act 1958*.

Comparative analyses of Income and Expenditure and relevant details of the Appropriation Account for the past five years are furnished below :—

INCOME AND EXPENDITURE.

—	1961-62.	1962-63.	1963-64.	1964-65.	1965-66.
Income—	\$	\$	\$	\$	\$
Premiums earned	5,519,002	6,009,114	6,178,342	6,615,844	8,506,030
Interest	348,214	388,674	431,114	483,946	498,312
Rents (Net)	5,056	37,954	42,330	32,876	33,405
Surplus—Sale of Property ..	864	..	114	6	..
	5,873,136	6,435,742	6,651,900	7,132,672	9,037,747
Expenditure—					
Claims	4,434,824	4,309,398	5,114,036	5,372,080	6,948,948
Management	289,872	301,862	335,766	335,096	363,307
Agents' Commission and Expenses	94,888	90,096	99,528	114,352	194,454
Loss—Sale of property ..	..	912	..	..	63
	4,819,584	4,702,268	5,549,330	5,821,528	7,506,772
Net profit.. .. .	1,053,552	1,733,474	1,102,570	1,311,144	1,530,975
	%	%	%	%	%
Loss ratio to earned premium income	80·4	71·7	82·8	81·2	81·7

APPROPRIATION ACCOUNT.

—	1961-62.	1962-63.	1963-64.	1964-65.	1965-66.
	\$	\$	\$	\$	\$
Net Profit	1,053,552	1,733,474	1,102,570	1,311,144	1,530,975
Adjustment of provision for Un-earned Premiums, previous years ..	..	845,158	..	..	..
	1,053,552	2,578,632	1,102,570	1,311,144	1,530,975
Appropriations—					
Bonus Equalization Reserve	453,552	578,632	225,540	705,144	Yet to be determined
General Reserve	600,000	2,000,000	377,030	..	
Consolidated Revenue .. .. .	..	..	500,000	606,000	
	1,053,552	2,578,632	1,102,570	1,311,144	1,530,975

Premiums in respect of policies issued to the Government and to semi-governmental bodies are treated in the accounts as fully earned irrespective of time of receipt. Other premiums due are apportioned between "earned", and "unearned" on a monthly "time" basis.

The distribution, as at 30th June, 1965, of the profit for the year 1964-65 was determined in accordance with the provisions of Section 68 of the *Workers Compensation Act 1958*, subsequent to the presentation of the previous Report.

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

30.6.65.		30.6.66.
\$		\$
	<i>Assets.</i>	
	Current—	
13,277,006	Cash	14,018,044
535,912	Sundry Debtors, <i>less</i> Bad Debts Provision	765,376
		<u>14,783,420</u>
4,771,760	Inscribed Stock	4,771,760
	Fixed—	
115,346	Furniture, Office Machines, and Cars— <i>less</i> Depreciation	202,447
233,028	Property (at cost)—Offices—412 Collins-street, Melbourne	233,028
1,129,566	Offices—480–490 Collins-street, Melbourne	2,647,876
		<u>2,880,904</u>
<u>20,062,618</u>		<u>22,638,531</u>
	<i>Liabilities and Funds.</i>	
	Current—	
1,179,950	Unearned Premiums	1,873,454
10,436,932	Claims Outstanding	12,350,672
64,728	Sundry Creditors	93,512
606,000	Provision for Contribution to Consolidated Revenue .. .. .	..
		<u>14,317,638</u>
	Deferred—	
1,700,408	Bonus Equalization Reserve	712,072
44,600	Building Depreciation and Maintenance Provision	47,846
		<u>759,918</u>
	Funds—	
6,000,000	General Reserve	6,000,000
30,000	Building Improvement Reserve	30,000
..	Appropriation Account	1,530,975*
		<u>7,560,975</u>
<u>20,062,618</u>		<u>22,638,531</u>

* Yet to be dealt with in accordance with Section 68 of the *Workers Compensation Act 1958*.

Outstanding claims have been assessed by the “case” method, all claims being individually examined by officers acting under direction of experienced senior officers. For the purpose of arriving at the figure under this head at balancing date, the aggregate obtained by this method of assessment has been supplemented by additional amounts to provide for certain contingent liabilities.

STATE MOTOR CAR INSURANCE OFFICE.

Over the period from its inception in 1941 to 30th June, 1966, this Office has incurred an accumulated loss of \$2,460,609.

Operations for the year resulted in a loss of \$785,410 compared with a loss of \$828,988 in 1964-65.

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

	1964-65.			1965-66.		
	Third-Party.	Comprehensive.	Total.	Third-Party.	Comprehensive.	Total.
	\$	\$	\$	\$	\$	\$
Net Premiums earned	5,630,124	2,550,962	8,181,086	6,710,600	3,015,367	9,725,967
Stamp Duty recouped .. ..	..	134,764	134,764	..	168,272	168,272
	5,630,124	2,685,726	8,315,850	6,710,600	3,183,639	9,894,239
Claims	6,477,812	2,170,660	8,648,472	7,810,853	2,384,002	10,194,855
Management	221,970	435,384	657,354	240,776	530,186	770,962
Licence Fee ... ..	..	120,612	120,612	..	168,304	168,304
	6,699,782	2,726,656	9,426,438	8,051,629	3,082,492	11,134,121
Operating Profit .. ..	..	..	..	..	101,147	101,147
Operating Loss	1,069,658	40,930	1,110,588	1,341,029	..	1,341,029
Net Operating Loss .. ..	..	..	1,110,588	..	..	1,239,882
Interest—Fund at Treasury .. ..	..	..	281,552	..	..	454,382
Sale of Property .. ..	..	..	48	..	..	90
Net Loss .. ..	..	..	828,988	..	..	785,410
Loss ratio to earned premium income—			%			%
Third-party ... ..	..	..	115.1	..	..	116.4
Comprehensive .. ..	..	..	85.1	..	..	79.1

The figures in the Report for the previous year were published prior to the completion of audit. Subsequently, certain amendments were necessary and the accounts for 1964-65 were adjusted accordingly.

Premium rates for Third Party Insurance were increased as from 1st October, 1965, and those for Comprehensive Insurance from 1st November, 1965. Earned premiums have been calculated on the "time" basis, using the monthly method of apportionment.

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

30.6.65.	<i>Assets.</i>								30.6.66.
\$									\$
	Current—								
8,919,262	Cash	..	..	..	..	..	..	..	10,321,282
857,138	Sundry Debtors—Premiums Due, &c.	..	..	..	..	..	..	..	1,197,279
<u>9,776,400</u>									<u>11,518,561</u>
	Investments—								
4,726,200	Government and Semi-Government Securities	..	..	..	..	..	..	..	6,782,035
	Fixed—								
50,144	Furniture and Office Machines <i>less</i> Depreciation	..	..	..	..	..	..	..	45,318
	Profit and Loss Account—								
1,675,199	Accumulated Loss	..	..	..	..	..	..	..	2,460,609
<u>16,227,943</u>									<u>20,806,523</u>
	<i>Liabilities and Provisions.</i>								
	Current—								
4,128,834	Unearned Premiums	..	..	..	..	..	..	..	5,556,577
12,002,646	Claims Outstanding	..	..	..	..	..	..	..	15,133,750
96,463	Sundry Creditors ..	..	..	..	..	..	..	..	116,196
<u>16,227,943</u>									<u>20,806,523</u>

The estimated liability for outstanding claims has been calculated on the basis of a combination of “ case ” and “ average ” estimating and, to the sum so determined, there have been added amounts to provide for unknown and unforeseen liabilities.

COUNTRY ROADS BOARD.

The construction and maintenance of State highways, main roads, by-pass roads, forest roads and tourist 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 major revenue sources of the Fund in 1965–66 were :—

- (i) *Fees under the Motor Car Act.*—Receipts for the year under this Act amounted to \$27,058,582 and the cost of collection was shown to be \$2,368,352. The comparable figures in 1964–65 were, respectively, \$25,780,176 and \$2,401,882.

An amendment to the *Country Roads Act 1958*, cited as the *Country Roads (Collection Costs) Act 1965*, requires the Country Roads Board to pay to the Transport Regulation Board, in each year, from the amount received in respect of motor car registration fees, an amount equivalent to six per cent. of the total charges under Part II. of the *Commercial Goods Vehicles Act 1958* collected in the immediately preceding year. The payment is to reimburse the Transport Regulation Board for the cost incurred in collecting such charges.

The legislation further provides that the amount so calculated is to be paid in equal quarterly instalments, with a proviso, however, that in 1965–66 such payments would be made in respect of the quarters ending March and June, 1966, only.

Collections in 1964–65 amounted to \$5,926,284 and, in accordance with the legislation, the sum of \$177,789 was recouped to the Transport Regulation Board from the Country Roads Board Fund.

By direction of the Treasurer, the total cost of the construction of a new Motor Registration Branch building at Carlton, originally estimated to be \$2,764,228, and initially in course of being financed from Loan Fund, is to be recouped from the Country Roads Board Fund by quarterly instalments over a period of five years, as a cost of collection of fees under the Motor Car Act. During the year under review, the Treasurer advised the Board that, due to the provision of two additional floors, the estimated cost of the building, excluding the architects' and consultants' fees payable in respect of the additional work, had been increased by \$386,678. Repayments by the Board, however, are not to be adjusted until 1967–68 when the actual final cost will be known. In 1965–66, the Loan Fund was recouped to the extent of \$552,840 bringing the total recoup on this account to \$1,105,680 at 30th June, 1966.

- (ii) *Special Contribution from the Loan Fund.*—Item 59 of the *Public Works Loan Application Act 1965*, authorized, *inter alia*, payments to municipalities and other public bodies for or towards the cost of drainage and other works and purposes. Under this authority, an amount of \$768,000 was allocated to the Country Roads Board Fund from the Loan Fund for the general purposes of the Board.

Debt charges in respect of this contribution are borne by Consolidated Revenue.

- (iii) *Temporary Advance.*—Section 38 (2) of the *Country Roads Act 1958* empowers the Treasurer, when moneys in the Country Roads Board Fund are insufficient to meet authorized expenditure, to advance to the Fund, temporarily out of the Public Account, sums not exceeding \$1,000,000 in any year, for the purpose of meeting such expenditure.

In 1964–65, the Treasurer advanced the sum of \$500,000 for the purposes of the Fund and, in 1965–66, a further sum of \$500,000 was made available to the Board. The total sum advanced, \$1,000,000, was repaid prior to the close of the year.

- (iv) *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 \$6,378,508.

The moneys at credit of this Account are available to finance road maintenance expenditure only. Other receipts at credit of the Country Roads Board Fund are available to meet expenses of administration, debt charges and the cost of road works generally.

Loan Fund.—Under the authority of Section 31 of the *Country Roads Act 1958*, the Treasurer, in 1965–66, provided from Loan Fund the sum of \$1,019,600 for the purpose of permanent works as defined in that Act. This sum was allocated as follows :—

	\$
For permanent works on Main Roads	428,357
Against Board's expenditure on certain permanent works on State Highways ..	591,243
	1,019,600

Commonwealth Aid Roads Act 1964.—By direction of the *Commonwealth Aid Roads Act 1964* and subject to the conditions therein, the Commonwealth is paying to the States for the purpose of financial assistance for road construction and other works :—

(i) basic annual sums—commencing at \$124,000,000 in 1964–65 and increasing by \$4,000,000 each year up to and inclusive of 1968–69, the final year in the statutory table ; and

(ii) additional sums—commencing in 1964–65 at a maximum of \$6,000,000 and increasing by \$6,000,000 in each subsequent year of the statutory five-year period.

Victoria's share of the basic grant of \$128,000,000 for 1965–66 was \$25,149,921 and it received by way of additional assistance the maximum grant of \$2,357,805.

Eligibility for receipt of the additional assistance grant is based on the amount by which expenditure by the State on road construction from its own resources exceeds the amount specified opposite its name in the schedule to the Act, subject to a maximum as calculated in terms of the Act. The State is required to supply the Commonwealth, annually, with information, certified by the Auditor-General, of the expenditure from its own resources on road construction.

My certificate in respect of the information supplied by the State for the year 1964–65 was qualified to raise the question of whether, having regard to the Commonwealth definition of what constitutes expenditure on road construction, certain general and administrative expenses of the Country Roads Board which had been included in the statement of expenditure are admissible.

Of the total amount of \$27,507,726 received by Victoria in 1965–66, \$27,114,758 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 \$11,003,090, was to be reserved for works on roads in rural areas or for the purchase of road-making plant for use in those areas. The balance, \$392,968, as allowed under Section 5 of the Act, was allocated to the Public Works Department for expenditure on works, other than road works, directly connected with transport by road or water.

Commonwealth Aid Roads Act 1959.—At 30th June, 1964, the date of expiration of the *Commonwealth Aid Roads Act 1959*, there remained in the Commonwealth Aid Roads Fund No. 2 Account an unexpended balance of \$60,425 in respect of moneys allocated to the Public Works Department for expenditure on works, other than road works, directly connected with transport by road or water.

The legislation required moneys allocated for these purposes in a year to be expended in the same year and the amount of the allocation unexpended by the Public Works Department at 30th June, 1964, therefore, was no longer available for works as defined above.

No such restriction was placed on expenditure for road works, and, accordingly, the balance of \$60,425 was, in 1965–66, re-allocated to the Country Roads Board for expenditure on road works generally. The total sum thus provided was expended by the Board during the year.

Roads (Special Projects) Fund.—This Fund was established in the Treasury by the *Roads (Special Projects) Act 1965* which came into operation on 1st July, 1965. The Act provided for increased motor registration fees and for the payment into the Roads (Special Projects) Fund of the additional moneys so obtained.

The legislation further provided that moneys at credit of the Fund may be applied as the Treasurer thinks fit for or towards the cost of such special projects for the construction and improvement of roads (including bridges and traffic control installations and items) as are approved by the Governor in Council.

Pursuant to the provisions of the Act, the Treasurer authorized the Country Roads Board to expend, in 1965–66, a maximum of \$2,272,642 for the purposes of eleven projects approved by the Governor in Council.

Details are :—

Project No.	Project.	Expenditure Authorized 1965-66.	Expenditure 1965-66.
2	Hume Highway (Craigieburn to Wallan).. .. .	\$ 400,000	\$ 335,449
5	Western Highway (Westerly from Deer Park)	440,000	323,430
6	Princes Highway East (Easterly from Doveton)	340,000	128,961
7	Western Highway (Pykes Creek)	272,145	272,145
8	Hume Highway (Tallarook)	160,000	114,091
9	Princes Highway East (Moe By-pass Road)	240,497	240,497
10	" " " (Hospital Creek)	220,000	189,326
11	Maroondah Highway (From Stirling-road to Brushy Creek)	20,000	5,029
12	Taylor Bay (Unclassified Tourists' Road)	60,000	14,854
13	Nepean Highway (Extension of duplication beyond Old Mornington-road)	80,000	26,952
14	Marlo-Cape Conran Road (Unclassified Tourists' Road)	40,000	3,640
		<u>2,272,642</u>	<u>1,654,374</u>

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.

1964-65		1965-66
\$	PRINCIPAL FUNDS AVAILABLE.	\$
	<i>Country Roads Board Fund—</i>	
7,194	Balance from previous year	9,447
23,378,294	Net Taxes	24,512,441
1,689,926	Municipal Contributions	1,691,398
5,926,284	Road Charges—Commercial Goods Vehicles Act	6,378,508
388,830	General Receipts	470,893
700,000	Special Contribution—Public Works Loan Application Act	768,000
500,000	Advance from Public Account	500,000
<u>32,590,528</u>		<u>34,330,687</u>
	<i>Loan Moneys—</i>	
762,000	Act No. 6229—State Highways and Main Roads	1,019,600
	<i>Commonwealth Aid Roads Acts, 1959 and 1964—</i>	
14,951,908	For Roadworks Generally	*16,172,093
10,230,252	For Rural Roads	11,003,090
<u>25,182,160</u>		<u>27,175,183</u>
	<i>Roads (Special Projects) Fund—</i>	
..	Expenditure authorized for 1965-66 by the Treasurer	2,272,642
<u>58,534,688</u>		<u>64,798,112</u>
	EXPENDITURE.	\$
	Principal items of expenditure by the Board may be classified as follows :—	
50,389,117	Construction and Maintenance of Roads, &c.	52,936,365
1,824,540	Payment of Interest (including exchange)	1,889,746
93,400	Sinking Fund Contributions and Loan Conversion Expenses	94,606
70,178	Repayment to Loan Fund	71,974
468,536	Transfer to Tourist Fund	467,566
106,606	Contribution—Australian Road Research Board	123,194
5,572,864	General Expenditure, including Administration, Stores, and Materials, &c.	6,516,861
..	Repayment of Advance from Public Account	1,000,000
<u>58,525,241</u>		<u>63,100,312</u>
		\$
9,447	Unexpended at 30th June—Cash at Credit of the Country Roads Board Fund	1,079,532
..	Balance of Authority for expenditure from the Roads (Special Projects) Fund	618,268
<u>58,534,688</u>		<u>1,697,800</u>
		<u>64,798,112</u>

* Includes unexpended balance of moneys provided under the *Commonwealth Aid Roads Act 1959*, \$60,425.

The unexpended balance shown in the above statement comprised—

- (i) the unexpended cash balance of the Country Roads Board Fund. The cash position of the Fund showed a substantial improvement compared with the position at 30th June, 1965. Further, the temporary advance outstanding at the close of the previous year, \$500,000, was repaid during the year under review and claims against the Fund unpaid at 30th June, 1966, were roundly \$40,000 as against similar claims amounting to approximately \$2,460,000 as at the close of the previous year; and
- (ii) the amount by which expenditure on special projects approved by the Governor in Council fell short of the total authorized by the Treasurer for expenditure in the year by the Board on these projects.

In accordance with the direction of the Treasurer, unexpended allocations lapsed at 30th June, 1966, and fresh estimates have been submitted for approval in respect of the year 1966-67.

Moneys received from the Loan Fund and under the Commonwealth Aid Roads Act were fully expended in the year.

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 (Special Projects) Fund.
			Roads Generally.	Rural Roads.		
	\$	\$	\$	\$	\$	\$
State Highways ..	17,703,972	8,695,545	7,021,801	..	591,243	1,395,383
Main Roads ..	16,568,651	12,498,115	3,642,179	..	428,357	..
By-pass Roads ..	3,745,319	1,354,135	2,150,687	..	..	240,497
Forest Roads ..	699,209	82,537	..	616,672	..	..
Tourists' Roads ..	1,510,070	580,070	930,000	..	..	..
Unclassified Roads ..	12,709,144	..	2,304,232	10,386,418	..	18,494
	*52,936,365	23,210,402	16,048,899†	11,003,090	1,019,600	1,654,374

* Includes roundly \$4,000,000 in respect of the acquisition of land for roadworks.

† Excludes contribution to Australian Road Research Board, \$123,194.

GENERAL AND ADMINISTRATIVE EXPENDITURE.

The following statement summarizes the major items of expenditure under this head :—

1964-65		1965-66
\$		\$
3,471,600	Salaries, Long Service Leave, Retiring Gratuities, &c. ..	4,001,433
434,458	Printing and Stationery, Office and Motor Car Expenses, &c.	527,902
118,314	Divisional Offices and Residences	237,725
71,062	Kew Office and Laboratory—Buildings	11,640
122,466	Kew Office and Laboratory—Building Services	126,241
83,498	Pay-roll Tax	95,360
697,134	Plant Purchase (net)	1,148,855
66,382 Cr.	Properties Acquired for Road Deviations	Cr. 94,094
208,692	Traffic Section Costs	243,077
166,636	Traffic Line Marking	200,886
166,930	Murray River Bridges and Punts	140,133
127,106	Contribution—Metropolitan Transportation Committee— Act No. 7003	73,336
<u>5,601,514</u>		<u>6,712,494</u>
75,916 Dr.	Less—Recoup—Administrative Oncost	Cr. 61,716
104,566 Cr.	—Other—Net Items (Including credit balances on plant operating, stock accounts, &c.)	Cr. 133,917
<u>28,650 Cr.</u>		<u>195,633</u>
<u>5,572,864</u>	Total	<u>6,516,861</u>

Salaries, Long Service Leave, Retiring Gratuities, &c.—The substantial increase in respect of this item was due largely to the payment to administrative, technical and female staff of increased rates of salaries granted during the year with effect from 31st March, 1965.

Printing and Stationery, Office and Motor Car Expenses.—Expenditure under this head increased from \$434,458 in 1964–65 to \$527,902 in 1965–66. A large part of this increased cost related to the provision of new office equipment and stationery consequent upon conversion of the Board's records to decimal currency.

Divisional Offices and Residences.—Increased expenditure under this heading was due to the costs of erection of a new Divisional Office building at Ballarat.

Properties Acquired for Road Deviations, &c.—Prior to 1964–65, the Board charged the costs of acquisition in respect of revenue producing properties acquired for road deviations, &c., to a general expenditure item within the Fund until such time as the properties concerned were required for the construction of the respective road works. Since 1964–65, however, the Board has charged the costs of all such acquisitions direct to the road works concerned.

The credit balance in respect of this item, \$94,094, resulted from transfers of the costs of acquisition applicable to certain properties acquired in previous years and taken over for road works in 1965–66.

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 1965–66 these concessions amounted to \$1,597,646. Details are—

(a) *Permanent Works.*

Of the proportion charged to municipalities for permanent works on main roads, \$116,962, relief, as provided in Act No. 6229, was granted to the extent of \$33,290.

In respect of the interest on developmental roads assessed at \$6,679, the whole was remitted.

(b) *Maintenance.*

Of the sum of \$3,165,403, apportioned to municipalities, being one-third of the cost of maintenance of main roads in respect of the year 1964–65, the Governor in Council remitted \$1,557,677 as excessive maintenance not due to local traffic. The net amount due was paid to the Board prior to 30th June, 1966.

TOURIST FUND.

For particulars of the operation of this Fund see page 102.

The *Tourist Act* 1958 as amended by the *Tourist (Amendment) Act* 1960, No. 6682, requires that an amount equal to 2 per cent. of the amount of fees under the Motor Car Act credited to the Country Roads Board Fund in each financial year shall be paid from the Country Roads Board Fund to the Tourist Fund in the subsequent 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. The amount so certified and paid in 1965–66 was \$467,566.

WORKS CARRIED OUT FOR COMMONWEALTH AND STATE AUTHORITIES.

The *Country Roads Act* 1958 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 purposes of comparison :—

1964-65		1965-66
\$		\$
14,100	Commonwealth of Australia	7,619
149,140	Rural Finance and Settlement Commission	170,059
68,320	Department of Crown Lands and Survey	59,031
103,852	Housing Commission	42,916
98,900	State Rivers and Water Supply Commission	87,851
342	Victorian Railways	6,791
31,024	Other	2,026
<u>465,678</u>		<u>376,293</u>

The above-mentioned bodies made advances to the Board towards the cost of these works and the Board was, for the most part, enabled to defray the cost of the works without encroachment upon its own funds. However, in respect of the Rural Finance and Settlement Commission, the cost of works carried out exceeded the sum of the advances received and, at 30th June, 1966, an amount of \$20,000 had been charged to a suspense account within the Country Roads Board Fund pending the provision of further advances from the Commission.

At 30th June, 1966, an amount of \$6,732 was held in the 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. A further sum of \$88 was held in the Commonwealth Works Account on behalf of the Commonwealth Government.

LOAN OPERATIONS.

Loan expenditure amounting to \$1,019,600 during the year increased the Board's loan liability which, at 30th June, 1966, was as set out in the following statement :—

	Main Roads.	Developmental Roads.	Total.
	\$	\$	\$
Net Loan Liability at 30th June, 1965	22,436,602	7,331,241	29,767,843
Add—Discount and Expenses	16,820	1,920	18,740
Expenditure—Act No. 6229	1,019,600	..	1,019,600
	23,473,022	7,333,161	30,806,183
Less—Repayments	71,974	..	71,974
	23,401,048	7,333,161	30,734,209
Deduct—Increase in equity in National Debt Sinking Fund	272,971	217,171	490,142
Net Loan Liability at 30th June, 1966	23,128,077	7,115,990	30,244,067

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 :—

- construct and in due course remove a temporary bridge over the Railway Coal Canal at West Melbourne adjacent to the existing bridge ; and
- 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 borne as follows :—

Government of Victoria	50
City of Melbourne	30
Victorian Railways Commissioners	10
Melbourne Harbor Trust	10

The Act further provides for the construction of a service road and the installation of traffic signals by the Melbourne City Council ; for the cost thereof to be borne equally by the Council and the Government of Victoria ; and for the Railway Department to meet the cost of constructing the new bridge in such a way as to enable the deck to be raised to allow of the construction of an overpass over the Appleton Dock railway line.

To 30th June, 1966, expenditure by the Board on works associated with the project amounted to \$349,054, and the Melbourne City Council, on account of works constructed by it, had been reimbursed to the extent of \$110,584. Thus, at the close of the year under review, the total expenditure was \$459,638, of which \$451,435 was provided under the authority of various Loan Application Acts and the balance, \$8,203, from Treasurer's Advance pending loan authority.

Expenditure by the State on the project to 31st May, 1966, was allocated in accordance with the provisions cited above and, up to and inclusive of the close of the year, the sum of \$174,575 had been recouped by the several statutory contributories and credited to Loan Fund.

MUNICIPALITIES FOREST ROADS IMPROVEMENT FUND.

This Fund was established during 1954-55, with an appropriation from Consolidated Revenue of \$100,000, 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 \$180,000 have been provided from loan moneys under the authority of various Public Works Loan Application Acts.

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 \$30,410 during the year and when added to those made in previous years brought the total charge to the Fund to \$254,726 up to and inclusive of 30th June, 1966. The amount at credit to the Fund unexpended at that date was \$25,274.

THE METROPOLITAN TRANSPORTATION COMMITTEE.

This Committee was established by *The Metropolitan Transportation Committee Act 1963* to advise the Governor in Council on the following matters :—

- (a) the planning and development of transport facilities and services within the metropolitan area ;
- (b) the supervision, co-ordination and control of the activities of all persons and bodies concerned with public transport within the metropolitan area ;
- (c) the improvement of transport facilities and services within the metropolitan area ; and
- (d) any other matter relating to transport facilities and services referred to it by the Governor in Council.

The Act further provides that the Committee may make such inquiries, investigations or surveys as it thinks fit in carrying out its functions and that any expenses incurred are to be borne in such manner and in such proportions as may be determined by the Governor in Council.

By direction of the Governor in Council, in terms of the Act, the expenses of the Committee are borne by the statutory bodies as set out hereunder :—

Statutory Body	Share or proportion of cost.
	\$
(a) Melbourne City Council	20,000
(b) Transport Regulation Board	10,000
(c) Victorian Railways Commissioners ; Melbourne and Metropolitan Board of Works ; Country Roads Board ; and Melbourne and Metropolitan Tramways Board	} The balance of expenditure in equal proportions.

The Committee appointed a firm of consultants to carry out a survey of public transport in the metropolitan area and expenditure for the purposes of this survey, which was completed during the year, amounted to \$942,673. The Committee subsequently authorized a continuing study, and expenditure in respect of this project amounted to \$29,000 at 30th June, 1966. Thus the total expenditure to be allocated between the respective statutory bodies at 30th June, 1966, was \$971,673.

Up to and inclusive of 30th June, 1966, contributions by the statutory bodies amounted to \$957,742. As at the close of the year, unallocated expenses amounting to \$13,931 remained a charge to Public Account.

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 cent. 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 :—

1964-65	Credits.	1965-66	
\$		\$	\$
424,694	Balance forward		583,296
468,534	Contribution from Country Roads Board Fund	467,566	
140,000	Contribution under Public Works Loan Application Acts	120,000	
	Contributions by Municipalities, &c.—		
40	On account of works	6,000	
5,256	On account of motor boating facilities	3,024	
		9,024	
11,950	Interest on Loans to certain Bodies	11,724	
14,754	Loan Repayments by certain Bodies	15,681	
177,024	Motor Boat Registration Fees and Fines (Net)	189,007	
66,944	Less Costs and Expenses of Collection and Administration	72,889	
		116,118	
372	Miscellaneous	86	
	Tourist Bureaux operations—		
143,652	Commissions, &c., received	151,080	
	From Consolidated Revenue—Share of cost of operations—		
241,000	Premier's Vote	245,000	
190,000	Railway Working Expenses	190,000	
		586,080	
1,750,332		1,326,279	1,909,575
	Disbursements.		
325,082	Developmental and Maintenance works authorized under the Act	394,793	
..	Advances to Public Works Department—Mt. Dandenong Project	*167,068	
65,044	Publicity—net (excluding Tourist Bureaux advertising, &c.)	65,350	
6,730	Loans to certain Bodies	49,447	
129,536	Provision of motor boating facilities	88,810	
	Costs and administrative expenses—		
53,128	Head Office	58,138	
587,516	Tourist Bureaux	627,130	
		685,268	
583,296	Balance at the close of the year .. .. .	..	1,450,736
1,750,332		458,839	1,909,575

* Unexpended as at 30th June, 1966.

The preceding statement of the credits to and disbursements from the Tourist Fund includes, in a summarized form, receipts from motor boat registration fees and fines, the relevant costs and expenses of collection and administration and the sum disbursed in the provision of motor boating facilities. All fees for the registration of motor boats under the *Motor Boating Act* 1961, together with certain fines imposed for breaches of that Act, are payable into the Tourist Fund. The costs and expenses incurred in the collection of those fees and in the administration of the Act, including the acquisition of the necessary equipment for enforcement of the provisions of the Act, are chargeable to the Fund. In terms of the Act, the net credit remaining after the defrayment of such costs and expenses is to be applied by the Tourist Development Authority in the provision of facilities for motor boating in Victorian waters. The following details are furnished in amplification of the relevant information shown in the Statement of the Fund:—

	\$	\$
Credit at 1st July, 1965 (held in Tourist Fund) .. .. .	..	137,959
<i>Add</i> —Registration Fees	178,968	
Fines	10,334	
	<u>189,302</u>	
<i>Less</i> —Refunds	295	
	<u>189,007</u>	
<i>Add</i> —Municipal Contributions towards provision of boating facilities ..	3,024	
		<u>329,990</u>
<i>Less</i> —Expenditure—		
Provision of boating facilities	88,810	
Costs of Administration—	\$	
Transport Regulation Board	25,356	
Chief Secretary's Department	47,533	
	<u>72,889</u>	
		<u>161,699</u>
Credit at 30th June, 1966 (held in Tourist Fund) .. .. .	..	<u>168,291</u>

Apart from the moneys credited to the Tourist 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 years 1964–65 and 1965–66 and shows the accounts in the Treasury to which the collections for 1965–66 were credited:—

Location.	Account Credited—1965–66.						1964–65 Total Collections.
	Railway Income.	Tourist Bureaux Trust Account.	Tourist Fund.	Revenue—No. 9—Miscel- laneous.	Treasury Trust— Unclaimed Moneys.	Total Collections.	
	\$	\$	\$	\$	\$	\$	\$
Head Office .. .. .	..	150,444	238,621	325	471	389,861	362,190
Tourist Bureaux—							
Melbourne	1,358,159	1,254,056	..	380	..	2,612,595	2,621,284
Sydney	57,999	97,708	..	..	..	155,707	159,150
Adelaide	74,243	145,913	..	..	..	220,156	226,016
Brisbane	23,196	38,470	..	..	..	61,666	44,412
Ballarat	31,951	110,784	..	..	..	142,735	130,970
Bendigo	30,700	163,917	..	..	..	194,617	156,042
Geelong	40,827	176,319	..	..	..	217,146	193,576
Mildura	8,478	31,557	..	..	..	40,035	29,660
	<u>1,625,553</u>	<u>2,169,168</u>	<u>238,621</u>	<u>705</u>	<u>471</u>	<u>4,034,518</u>	<u>3,923,300</u>

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 Railway Department on the debtors concerned.

TRANSPORT REGULATION BOARD.

The 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 I 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, 1966, was \$74,925.

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

1964-65.		1965-66.	
\$		\$	\$
	<i>Receipts.</i>		
1,350,288	Balance of Transport Regulation Fund at 1st July .. .. .	..	790,947
687,560	Licence Fees and Additional Fees on Licences	709,739	
..	Licence Transfer Fees	68,624	
835,472	Permits—Goods and Passenger	832,773	
13,148	Drivers' Certificates	17,951	
11,771	Metropolitan Omnibus Registration Fees	11,583	
181,014	Fines	184,478	
20,500	Miscellaneous Receipts	21,698	
		<hr/>	1,846,846
<hr/>			<hr/>
3,099,753			2,637,793
	<i>Payments.</i>		
1,131,328	Salaries and Overtime (Including Pay-roll Tax, &c.)	1,273,359	
273,848	Other Administrative Expenses	300,216	
32,820	Payment for Police Services	20,198	
3,400	Contribution towards erection of Bus Shelters, &c.	1,169	
56,000	Amounts distributed to Municipalities	66,161	
833,536	New Head Office, Land and Building—Carlton	1,104,910	
<hr/>		<hr/>	
2,330,932		2,766,013	
	<i>Less—Recoups—</i>	\$	
22,126	Costs of Collection—Motor Boat Registrations	25,356	
..	Road Charges (Commercial Goods Vehicles Act)	177,789	
		<hr/>	203,145
<hr/>			
2,308,806			<hr/>
<hr/>			<hr/>
790,947	Balance of Fund at 30th June .. .. .	..	74,925

The *Road Transport Act 1965*, which was proclaimed to operate from 15th January, 1966, amended the *Transport Regulation Act 1958* to provide for the transfer of licences on payment of transfer fees calculated in accordance with the schedule to the Act. Revenue to the Board from this source in 1965-66 amounted to \$68,624.

The Board has for many years, at its own cost, collected charges under the Commercial Goods Vehicles Act for payment into the Country Roads Board Fund. In 1965-66 an amendment to the *Country Roads Act 1958*, the *Country Roads (Collection Costs) Act 1965*, provided for the Transport Regulation Board to be recouped in each year by the Country Roads Board, out of the amount received by the latter Board in respect of motor car registration fees, an amount equivalent to six per cent. of the total charges collected in the immediately preceding year under Part II. of the *Commercial Goods Vehicles Act 1958*.

The sum so calculated is payable in quarterly instalments with the proviso, however, that in 1965-66 such payments were to be made in respect of the quarters ending March and June only. In that year the Board received from the Country Roads Board the sum of \$177,789 as a recoup of the costs of collecting the above-mentioned charges.

The marked reduction in the balance at credit of the Fund was caused mainly by the substantial expenditure during the year in connexion with the erection of the new Head Office building. Total expenditure for this purpose to 30th June, 1966, amounted to \$2,347,153.

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 1965–66 was \$6,378,508 compared with \$5,926,284 in the previous year.

Motor Boat Registration Fees.—*The Motor Boating Act* 1961, 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 that Fund.

The registration fees collected by the Board during 1965–66 amounted to \$178,968. The costs of collection were recouped to the extent of \$25,356.

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 1964 and 1965.

1964								1965	
\$								\$	\$
41,954	Contributions	..	..	..	..	..	..	..	37,793
1,070	Other Income	..	..	..	..	..	..	..	1,640
<u>43,024</u>									<u>39,433</u>
	Expenditure—								
4,280	Allowances, Board Members	..	..	..	..	..	..	..	4,570
6,452	Salaries, Office Staff	..	..	..	..	..	..	..	7,272
13,494	Inspection and Grading	..	..	..	..	..	..	..	11,278
6,926	General Expenses	..	..	..	..	..	..	..	7,510
<u>31,152</u>									<u>30,630</u>
<u>11,872</u>	Surplus for Year	..	..	..	..	..	..	..	<u>8,803</u>

The fall of \$4,161 in income from Contributions was due chiefly to a reduction from 60 cents to 55 cents a ton in the levy imposed by the Board on dried fruits processed.

At 30th June, 1966, the balance at credit of the Fund amounted to \$71,188 and comprised cash \$29,188 and investments \$42,000.

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 of the Fund for the years 1964-65 and 1965-66 are as follows :—

	1964-65	1965-66
	\$	\$
<i>Income—</i>		
Contributions from Insurers and others	166,784	186,636
<i>Expenditure—</i>		
Salaries	70,050	75,921
Rent	26,706	63,316
General	23,242	25,828
Claims on uninsured employers paid from the Fund (net) ..	16,478	22,978
	136,476	188,043
Excess of Income over Expenditure	30,308	..
Excess of Expenditure over Income .. .. .	..	1,407

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 1964-65 and 1965-66 are summarized below :—

	1964-65	1965-66
	\$	\$
Receipts	3,937,428	4,169,035
Payments	3,000,762	3,252,344
Excess of receipts over payments	936,666	916,691
Balance at beginning of year	10,758,722	11,695,388
Balance at close of year	11,695,388	12,612,079

Investments, &c., controlled by the Board at 30th June, 1966, are shown hereunder :—

	\$
<i>Common Fund—</i>	
Cash, State Savings Bank of Victoria	611,391
Commonwealth Securities (face value)	1,300,500
State Electricity Commission Debentures	5,800,000
Melbourne and Metropolitan Board of Works Debentures	4,200,000
Geelong Waterworks and Sewerage Trust Debentures	400,000
Temporary Advances	188
State Savings Bank Deposit Stock	300,000
	12,612,079
<i>Specific Investments—</i>	
Commonwealth Securities	7,200
State Electricity Commission Debentures	4,800
Melbourne and Metropolitan Board of Works Debentures	4,600
Geelong Waterworks and Sewerage Trust Debentures	4,000
	20,600

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, 1966, showing the contingent liability of the State under each guarantee at that date.

	Guarantee.	Contingent Liability.
	\$	\$
Ballarat Agricultural and Pastoral Society	7,000	7,000
Ballaarat City Council	20,000	20,000
Bendigo City Council	20,000	20,000
Exhibition Trustees	360,000	120,000
Olympic Park Committee of Management	420,000	250,000
Royal Agricultural Society of Victoria	1,040,000	592,381
A. V. Page Pty. Ltd., Wonthaggi	50,000	50,000
College of Pharmacy	56,000	56,000

The reasons for the guarantees mentioned above have been given in the Reports for previous years.

Set out below are details of guarantees authorized by statute, together with contingent liabilities at 30th June, 1966.

	Guarantee.	Contingent Liability.
	\$	\$
Co-operative Housing Societies	179,925,000	108,218,993
Co-operative Housing Societies .. .. .	..	*66,179,279
Co-operative Societies	2,112,188	1,053,565
Home Finance Trust	20,420,144	18,067,265
Victorian Inland Meat Authority	100,000†	49,773

* State's liability to the Commonwealth on account of advances to Societies from the Home Builders' Account.

† Pursuant to Sections 19 and 20 of *Victorian Inland Meat Authority Act 1958*.

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 as a result of amendment by the *Co-operative Housing Societies (Guarantees) Act 1963*, now provides a limit of \$180,000,000 to the aggregate liability which may be incurred by the State under this heading. At 30th June, 1966, 747 guarantees were current in support of loans made or to be made.

The Principal Act as amended by the *Co-operative Housing Societies (Amendment) Act 1963*, empowers the Treasurer to enter into an agreement with a Society to indemnify it against that part of any loss the Society may sustain in respect of an advance to a member upon the security of his land and dwelling-house, where such of the loss sustained is directly attributable to the fact that the amount of the advance made by the Society, reduced by the value of the share capital of the member, exceeded 80 per cent. of the value of the member's security; and that the amount of such advance, subject to certain deductions, did not exceed \$6,600. However, by further amendment of the Principal Act in terms of the *Co-operative Housing Societies (Indemnities) Act 1964*, the Treasurer may indemnify a Society against loss in the case of a member having five or more dependent children provided that the advance involved did not exceed \$8,000. At 30th June, there were 2,190 indemnities in force, the contingent liability in respect of which was \$964,895.

The *Co-operation Act 1958* as amended by Act No. 6749 provided a limit of \$4,000,000 to the liability which the State might incur under guarantees given in respect of societies registered under this Act. Although the limit was raised to \$8,000,000 under authority of Act No. 7374, this Act was not proclaimed to operate until after 30th June, 1966. To 30th June, 209 guarantees to the extent of \$2,112,188 had been given in relation to the borrowings of a number of societies, and the contingent liability under the guarantees amounted to \$1,053,565.

The activities of the societies registered under the Co-operation 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.

It is provided in the *Home Finance Act* 1962 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 Home Finance 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 Trust or in favour of any bank lending money by way of overdraft to the Trust.

At 30th June, 244 guarantees amounting to \$420,144 in respect of loans beyond the specified maxima, and 79 guarantees totalling \$20,000,000 in respect of amounts to be deposited with or lent by way of overdraft to the Trust were current. The contingent liability, at 30th June, under these 323 guarantees was \$18,067,265.

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

Building Societies Act 1958.—This Act as amended by the *Building Societies (Amendment) Act* 1961, No. 6765, authorizes the Treasurer to guarantee the repayment by building societies of advances to them by banks, not exceeding in respect of any one society, a sum of \$200,000. Up to and inclusive of 30th June, 1966, 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.

	1964.	1965.	1966.
	\$	\$	\$
Railways and State Coal Mine	4,012,662	4,485,304	4,425,903
Taxation—			
Income	2,644	910	910
Unemployment Relief	784	344	344
Land	2,676,646	1,974,678	1,814,920
Probate Duty	990,446	1,804,982	2,927,225
Water Supply	1,096,944	1,280,717	1,233,343
Lands Department	136,766	122,984	360,531
Rural Finance and Settlement Commission	397,820	375,550	420,039
Forests Commission	427,340	585,440	485,388
Government Printer (excluding amounts due from State Departments)	100,722	67,168	86,685
Other Departments	81,012	90,478	59,767
Trading Activities—			
Victoria Dock Cool Stores	204,952	120,384	257,397
Erica Sawmill	18,474	14,270	23,143
Miscellaneous	108,980	138,288	152,093
	10,256,192	11,061,497	12,247,688

The arrears of Probate Duty for 1966 do not include the amount of \$759,938 which represents assessments issued during June, but not due and payable until after 30th June.

Land Tax in arrears as at 30th June, 1966, as disclosed in the preceding statement, is composed of amounts due in respect of several assessment years. Relevant details are :—

Assessment year.	Amount. \$
1962 and prior years	19,879
1963	35,353
1964	102,787
1965	423,430
1966	1,233,471
	1,814,920

Collections during July, 1966, reduced these arrears by \$674,119.

“Miscellaneous”, \$152,093, represents cash in transit to the Treasury from various departmental branches throughout the State as at the close of the year 1965–66 and includes—from the City Court, \$19,781; the Marine Board, \$13,787; and the Companies Registration Office, \$12,059.

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, &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, \$897,454; and from the Tourist Fund, \$193,473. To 30th June, 1966, repayments on account of these advances amounted to \$413,551 and \$41,641 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.

—	1963–64.	1964–65.	1965–66.
	\$	\$	\$
Corporations and other Bodies	2,453,410	2,712,000	3,048,326
Settlers	846	826	133
Various	233,792	172,900	124,055
Total	2,688,048	2,885,726	3,172,514

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 \$197,339. 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, 1966.			Overdue at 30th June, 1966.				
	Loan.	Revenue.	Total.	Redemption.			Interest.	Total
				Loan.	Revenue.	Total.		
	\$	\$	\$	\$	\$	\$	\$	\$
Municipalities	2,772,561	..	2,772,561	23,994	..	23,994	69,314	93,308
Corporations and other bodies	33,864,413	..	33,864,413	10,317	..	10,317	48,267	58,584
Unemployment Relief Advances	187,210	..	187,210	31,471	..	31,471	..	31,471
Advances to Settlers	15,213	..	15,213	8,136	..	8,136	1,641	9,777
Various	1,514,606	2,509	1,517,115	2,850	509	3,359	840	4,199
Total	38,354,003	2,509	38,356,512	76,768	509	77,277	120,062	197,339

Included in the total of \$197,339 overdue, is an amount of \$1,641 on account of interest on advances to settlers. This amount is 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 was 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.

The net expenditure charged to the Loan Fund has amounted to \$8,600,930. According to the Treasurer's accounts, the sum still to be repaid by the municipalities concerned, as at 30th June, 1966, was \$2,772,561.

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 \$9,733,915 from loan and \$8,000 from revenue. Repayments and amounts written off or transferred have left a balance to be repaid, at 30th June, of \$5,956,782. Instalments of redemption and interest charges overdue at the same date totalled \$4,967.

Sewerage Authorities.—Advances of \$6,607,273 have been made from loan for capital works of country sewerage authorities, but \$3,601,116 of this amount has been transferred to the Capital Expenditure Borne by the State Account. Repayments amount to \$337,914, and the balance of liability at 30th June was \$2,668,243.

Mildura Trusts.—Loan advances to the First Mildura Irrigation Trust and the Mildura Urban Water Trust amount to \$4,143,024 of which there has been repaid \$141,134. Liability to the extent of \$2,884,409 has been transferred to the State and \$36,831 has been written off, leaving the balance of advances at 30th June, \$1,080,650.

Waterworks Trusts.—Of advances of \$31,725,322 from loan and \$67,249 from revenue, \$21,930,559 was still to be repaid at 30th June.

At the same date 74 trusts between them owed \$48,823 for redemption and interest charges. Further reference is made to waterworks trusts 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 \$5,094 transferred from a Waterworks Trust, amounted to \$4,592,927, but liability to the extent of \$3,870,590 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 \$4,956,064, of which \$1,678,884 has since been treated as a grant and \$58,088 has been written off. The balance of advances at 30th June, was \$187,210 including \$31,471 overdue instalments of redemption.

SURCHARGE.

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, 1966.

Date.	Department, &c.	Amount.	Particulars.
3.8.1965	Health Department, Mental Hygiene Branch	\$ 57	Deficiency in trust moneys at Ballarat Mental Hospital. (This surcharge has since been satisfied)

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	..	..	..	..	..	..	..	..	8,278
1960-61	..	..	..	..	..	..	..	..	3,194
1962-63	..	..	..	..	..	..	..	..	3,560
1963-64	..	..	..	..	..	..	..	..	142,140
1964-65	..	..	..	..	..	..	..	..	166,548
1965-66	..	..	..	..	..	..	..	..	224,652

Advances to Departments, &c., not adjusted at 30th June, 1966, amounted to \$1,219,541. In respect of these advances, the Treasurer has not been acquitted to the extent of \$1,177,703.

Defalcations and Irregularities, 1965-66.

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.

CHIEF SECRETARY'S DEPARTMENT.

Police Department.

Police Station, Belmont.—A sum of \$221 was stolen from the office safe. Police enquiries failed to establish responsibility for the theft.

Police Station, Dandenong.—Various irregularities relating to entries in the Property Receipt Books at this Station led to a Senior Constable being charged with sixteen offences before the Police Discipline Board. He was found guilty on nine of the charges and was dismissed from the Force.

Police Station, Moonee Ponds.—A deficiency of \$100 was discovered in the Trust Account. Police enquiries have been unable to establish responsibility for the shortage.

Police Station, Toorak.—An amount of \$7 was alleged to have been paid to this Station, but not brought to account. The officer on duty at the time subsequently resigned and cannot now be traced.

Property Office, Russell Street.—Proceeds totalling \$854.50 from the sale of unclaimed and confiscated property were not accounted for. The Senior Constable responsible for the custody of the sale proceeds was charged with carelessness in the discharge of his duties. He pleaded guilty and the matter was adjourned for six months.

Transport Branch Store.—An audit stocktake showed a shortage of 4,020 gallons of petrol. Police enquiries could not establish with certainty the reason for the discrepancy.

EDUCATION DEPARTMENT.

State School, Bengworden.—A deficiency of \$1.05 in the Official Account was adjusted by the Head Teacher concerned.

State School, Hexham.—A shortage of \$25.03 in the Official Account was adjusted by the Head Teacher concerned. He was admonished by the Department.

State School, Marnoo East.—The Head Teacher responsible for a deficiency of \$32.02 in the Official Account made full restitution and was admonished by the Department.

State School, Riverside.—A deficiency of \$11 in the Official Account was met by the Head Teacher concerned, who was censured by the Department.

State School, Traynor's Lagoon.—Shortages amounting to \$17.47 were detected in the Official Account. The Head Teacher responsible has made full restitution. Police action is in course.

State School, Tesbury.—The Head Teacher responsible for deficiencies of \$42.00 in the Official Account has resigned and police action is in course.

Burwood Teachers' College.—The sub-advance of the College was deficient to the extent of \$460.35 due to loss by burglary. Police enquiries could not establish responsibility for the theft.

Caulfield Technical College.—A cash shortage of \$1,075.55 due to burglary was met by the College's insurers.

University of Melbourne.—Cheques drawn in favour of various creditors to a value of \$698.65 were misappropriated and negotiated by a female employee. Restitution is being made.

Theft of Salary Cheque—Head Office.—A salary cheque for \$105.32 which had been returned for cancellation and on which payment had been stopped by the Department, was removed from the Department and the proceeds collected through a bank account opened for the purpose. No loss to the Department has been incurred and police enquiries are in course.

HEALTH DEPARTMENT.

Mental Hygiene Branch.

Royal Park Psychiatric Hospital.—An amount of \$16.80 was stolen from the Occupational Therapy Building. Police investigations failed to establish individual responsibility for the theft.

DEPARTMENT OF LABOUR AND INDUSTRY.

Irregularities involving amounts totalling \$72 were detected at the Department of Labour and Industry. An officer resigned, and later appeared before the Melbourne Court of General Sessions on a charge of embezzlement of \$10. He pleaded guilty and was placed on probation for a period of twelve months. Restitution of \$10 was made.

LAW DEPARTMENT.

Office of the Registrar of the County Court, Melbourne.—The audit of the books and accounts of this Office disclosed various irregularities. A Clerk was charged before the Public Service Board with improper use of certain trust moneys. The charge was proved and the Clerk, who has since resigned, was reduced in classification.

PREMIER'S DEPARTMENT.

Audit Office.—Irregularities concerning totalizator tickets resulted in two officers being charged before the Public Service Board. One officer was dismissed from the Public Service and the other severely reprimanded. Police action was taken and resulted in one officer being found guilty and released on a bond of \$400 for a period of five years and the case against the other officer being adjourned for twelve months on a \$100 recognizance.

PUBLIC WORKS DEPARTMENT.

Cash shortages of \$40.70 were disclosed in relation to payments for telephone trunk line calls. Full restitution has been made and the officer concerned has resigned.

RAILWAY DEPARTMENT.

Fifty-five 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 \$396, \$342, \$330 and \$240, the cash and other deficiencies were comparatively small.

Thirty-three of the charges were heard by the Courts and twenty-two were dealt with by the Railways Board of Discipline.

STATE RIVERS AND WATER SUPPLY COMMISSION.

Eildon District Office.—Irregularities involving the misappropriation of moneys totalling \$339.08 were disclosed at this Office. Restitution of \$200 has been made and the officer concerned has resigned. In relation to the outstanding balance, \$139.08, proceedings pursuant to Section 36 of the *Audit Act 1958* are in course.

STATE ELECTRICITY COMMISSION.

Kerang District Office.—A clerical assistant misappropriated receipts from electricity consumers totalling in all \$279.30. Restitution was made and his services were terminated.

St. Kilda.—An employee was convicted and imprisoned for storeroom breaking and stealing copper and brass fittings valued at \$100. The stores were recovered and his services were terminated.

Paisley Briquette Depot.—An employee was convicted and fined for larceny of four packages of briquettes and for receiving 43 packages. His services were terminated.

STORES DEFICIENCIES (OTHER).

In the year under review, there were other instances of loss or theft of stores. Particulars of these are furnished on the next succeeding page.

Particulars of other losses and thefts of stores reported during the year.

Department or Authority.	Location.	Items Lost or Stolen.	Value.	Remarks.
			\$	
Agriculture Department ..	Royal Show	Curtains	109	Police notified
	Coburg	Exposure Meter ..	24	
	Cann River	Spray pistol and hose	71	} Insurance claimed
	Dookie College ..	Arc welder	178	
	Leongatha	Piping	10	} Police notified
	Broadmeadows ..	Chain Saw	166	
Various Depots ..	Fruit Fly equipment ..	124		
Chief Secretary's Department	Workers Compensation Board	6 Electric fans ..	96	Police notified
Forests Commission ..	Various Centres ..	Tools and equipment ..	690	Police notified
Government Printing Office	Carrier's Van ..	Paper and Receipt Books	20	Value to be claimed
Law Department ..	Sheriff's Office ..	"Primus" gas lamp ..	20	} Police notified
		Coroner's Court ..	Power hand drill ..		24
	Titles Office	Embossing tapewriter ..	22	
		Hand truck	30	
Melbourne and Metropolitan Board of Works	Various	Tools and equipment ..	5,783	Written off
Mental Health Authority ..	Janefield	Equipment	60	} Police notified
		Plenty	Tape recorder, Radiogram, jug		120
	Mont Park	Bench grinder ..	80	
	Royal Park	Marquee	50	
		Chain saw	100	
Public Works Department	Altona	Planks	108	} Police notified
	Royal Park	Copper tubing ..	421	
	Mont Park	6 emulsion drums ..	24	
	Port Melbourne Store ..	Wheels, tyres, tubes ..	231	
	Custodians and Day Labour Gangs	3 hot water cylinders	40	} Written off
		Tools	598	
Social Welfare Branch ..	Buxton	Household goods ..	20	} Police notified
	"Turana"	Amplifier	40	
	Langi Kal Kal Training Centre	Tools	495	
	Head Office	Adding machine ..	120	
State Rivers and Water Supply Commission	Engineering Research and Testing Branch	Double Beam Balance	37	} Police notified in instances of suspected theft.
		Golden Square ..	62	
		Swan Hill	43	
		Lake Bellfield ..	550	
		Cohuna	64	
		Kerang	290	
		Kooweerup	31	
		Maffra	29	
		Nillahcootie	157	
		Pyramid Hill ..	23	
		Red Cliffs	97	
		Camperdown ..	50	
		Frankston	60	
		Tatura	99	
		Anglesea	39	
Tourist Development Authority	Head Office	Combiscope	20	Police notified

ACKNOWLEDGMENT.

I was appointed to the office of Auditor-General on 21st November, 1965. My predecessor, Mr. R. W. Gillard, retired on 20th November after devoting almost fifty years of valuable and unstinted service to the State of Victoria in various fields of administration.

Mr. A. T. Vanderstoel retired from the office of Assistant Auditor-General on 6th December, 1965, and was succeeded by Mr. W. J. Duncan. I record my appreciation of the loyalty and willing support given to me by these officers and also by the other members of the Audit Office staff since my appointment.

I also express my thanks to officers of the Treasury and other Departments for their ready co-operation during the year.

A. J. A. GARDNER,
Auditor-General.

Melbourne, 28th October, 1966.

STATEMENT No. 1.

RECEIPTS AND EXPENDITURE FOR THE YEAR 1965-66.

Statement of the Receipts and Expenditure of the Consolidated Revenue, Loan Moneys and Advances on account of Loan Moneys* for the year 1965-66.

Receipts.		Expenditure.	
	\$		\$
<i>Balance brought forward—</i>		<i>Revenue Expenditure—</i>	
Loan Fund	830,035.36	Under Parliamentary Authority ..	514,497,328.46
		From Treasurer's Advance	2,191,903.69
			<u>516,689,232.15</u>
Revenue for the year	508,553,852.39	<i>Loan Expenditure—</i>	
<i>Proceeds of Loans raised for Works &c.</i> ..	123,206,000.00	Under Parliamentary Authority ..	130,735,635.70
<i>Less Flotation Expenses &c.</i>	358,641.58	From Treasurer's Advance	112,307.45
	<u>122,847,358.42</u>		<u>130,847,943.15</u>
<i>Loan Repayments</i>	8,146,108.99	<i>Total Expenditure for the year</i>	647,537,175.30
	<u>130,993,467.41</u>		
Deficit for the year 1965-66	8,135,379.76†	<i>Balance carried forward—</i>	
		Loan Fund	975,559.62
			<u>648,512,734.92</u>

* Does not include \$33,566,506 advances from Commonwealth Government for Housing, including \$9,337,800 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 1965-66 with that in the previous year.

Note.—1965-66 shown in heavy type ; 1964-65 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.	189,889,184 210,747,831	39·51 41·44	54,956,006 57,149,771	42·71 43·35	244,845,190 267,897,602	40·18 41·83
Law and Order—						
Law, Police, Prisons, &c.	27,375,828 28,406,589	5·69 5·59	2,161,376 2,727,734	1·68 2·07	29,537,204 31,134,323	4·85 4·86
*Debt Charges	89,686,532 96,569,003	18·66 18·99	.. .. .	.. .. .	89,686,532 96,569,003	14·72 15·08
Commonwealth-State Housing (Interest and Repayments)	15,200,062 16,550,043	3·16 3·25	.. .. .	.. .. .	15,200,062 16,550,043	2·49 2·59
Railways—						
†Working Expenses and Loan Expenditure	94,681,472 96,305,922	19·70 18·94	15,500,622 16,299,635	12·04 12·37	110,182,094 112,605,557	18·08 17·58
Pensions	4,870,490 4,944,573	1·01 ·97	.. .. .	.. .. .	4,870,490 4,944,573	·80 ·77
Pensions (excluding Railways)	5,418,308 6,277,626	1·13 1·23	.. .. .	.. .. .	5,418,308 6,277,626	·89 ·98
Primary Production—						
Agriculture, Lands, Soldier Settlement, Forests, Country Water Supply &c.	23,823,284 25,729,700	4·96 5·06	24,971,166 25,018,822	19·40 18·98	48,794,450 50,748,522	8·01 7·93
Advances to State Electricity Commission	.. .. .	.. .. .	16,000,000 15,000,000	12·43 11·38	16,000,000 15,000,000	2·62 2·34
Other Public Works .. .. .	.. .. .	.. .. .	10,398,594 10,669,299	8·08 8·09	10,398,594 10,669,299	1·71 1·67
Other Expenditure	29,722,658 31,157,945	6·18 6·13	3,867,034 3,982,682	3·01 3·02	33,589,692 35,140,627	5·51 5·49
Total Expenditure from Consolidated Revenue and Loan	480,667,818 516,689,232	100·00 101·60	127,854,798 130,847,943	99·35 99·26	608,522,616 647,537,175	99·86 101·12
Loan Funds carried forward .. .. .	.. .. .	.. .. .	830,036 975,560	·65 ·74	830,036 975,560	·14 ·15
Revenue Deficit	8,135,380	1·60	.. .. .	.. .. .	8,135,380	1·27
Total Revenue and Loan Proceeds available to meet expenditure	480,667,818 508,553,852	100·00 100·00	128,684,834 131,823,503	100·00 100·00	609,352,652 640,377,355	100·00 100·00

* Includes Railway Debt Charges, 1964-65, \$3,185,630; 1965-66, \$4,030,673.

† Excludes " " " " " " " "

STATEMENT No. 3.

LOAN FUND.

ABSTRACT OF TRANSACTIONS FOR THE YEAR 1965-66.

	\$	\$
<i>Balance</i> of Loan Fund at 30th June, 1965		830,035.36
<i>Receipts—</i>		
Proceeds of Loans Raised—		
For Works, &c.	123,206,000.00	
For Redemption	194,730,561.36	
Loan Repayments	8,146,108.99	
	<hr/>	326,082,670.35
		<hr/>
		326,912,705.71
<i>Disbursements—</i>		
Works, &c., Under Parliamentary Authority	130,735,635.70	
Works &c., From Treasurer's Advance	112,307.45	
	<hr/>	130,847,943.15
Moneys applied to Redemption	194,312,161.36	
Flotation Expenses	358,631.58	
Conversion Bonus	418,410.00	
	<hr/>	325,937,146.09
		<hr/>
<i>Balance</i> Loan Cash on Hand at 30th June, 1966		975,559.62

LIABILITY FOR LOANS.

	\$	\$
Liability to Commonwealth at 30th June, 1965	1,631,003,139.08	
Loans raised in 1965-66—	\$	
For Works, &c.	121,480,205.31	
For Redemption	195,969,710.60	
	<hr/>	317,449,915.91
		<hr/>
		1,948,453,054.99
<i>Less</i> Loans Repurchased or Redeemed—		
By Redemption Loans	194,495,380.76	
By National Debt Sinking Fund	19,677,293.78	
	<hr/>	214,172,674.54
		<hr/>
Liability to Commonwealth at 30th June, 1966		*1,734,280,380.45
<i>Less</i> Cash at credit of National Debt Sinking Fund	210,982.52	
Unexpended balance of Loan Cash	975,559.62	
	<hr/>	1,186,542.14
		<hr/>
Net Liability for Loans at 30th June, 1966		*1,733,093,838.31
		<hr/>
Net Liability for Loans at 30th June, 1965		1,629,075,146.54
		<hr/>
The increase during the year was		104,018,691.77

* Does not include \$392,806,928 advanced by the Commonwealth for Housing purposes or \$13,547,120 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, 1966, was :—

<i>Various funds as per Treasurer's Statement—</i>							\$
Amounts lodged and invested	..	..	..	..	..	..	46,814,285
General Account balances	..	..	..	..	..	..	67,265,006
							<u>114,079,291*</u>
<i>Represented by :</i>							
<i>Stocks and Securities—</i>							
Blue Moon Fruit Co-operative Ltd.—Shares	..	..	..	..	..	..	20
Camperdown—Glenormiston Dairying Co. Ltd.—Shares	..	..	..	..	..	..	140
Colonial Gas Holdings Ltd. Registered Debenture Stock	..	..	..	..	..	..	1,000
Commonwealth Government Inscribed Stock, &c.	..	..	..	..	..	..	25,261,139
Gas and Fuel Corporation Registered Debenture Stock	..	..	..	..	..	..	810,000
Gas and Fuel Corporation of Victoria—Shares	..	..	..	..	..	..	15,065,184
Geelong Harbor Trust Debenture	..	..	..	..	..	..	123,508
Geelong Waterworks and Sewerage Trust Stock	..	..	..	..	..	..	100,000
Grain Elevators Board Stock	..	..	..	..	..	..	68,000
Home Finance Trust	..	..	..	..	..	..	290,000
Kyabram Co-operative Fruit Preserving Co. Ltd.—Shares	..	..	..	..	..	..	8,566
Melbourne Harbor Trust Stock	..	..	..	..	..	..	130,000
Melbourne and Metropolitan Board of Works Stock	..	..	..	..	..	..	2,377,000
Melbourne and Metropolitan Tramways Board Stock	..	..	..	..	..	..	475,000
National Art Gallery and Cultural Centre Registered Debenture Stock	..	..	..	..	..	..	398,716
Pilot Vessel <i>Akuna</i> —Registered Mortgage Debenture	..	..	..	..	..	..	122,392
State Electricity Commission Stock	..	..	..	..	..	..	1,943,960
State Savings Bank Deposit Stock	..	..	..	..	..	..	1,203,660
							<u>48,378,285</u>
<i>Cash Advanced—</i>							\$
For Consolidated Revenue Deficit	..	..	..	..	..	..	3,897,038
For Other Advances	..	..	..	..	..	..	4,692,023
							<u>8,589,061</u>
For Revenue Deficit 1965–66	..	..	..	..	..	..	8,135,380
							<u>16,724,441</u>
Cash as per Treasurer's Statement	..	..	..	..	..	..	49,952,125
<i>Deduct—</i>							
Loan Fund Credit Balance	..	..	..	..	..	..	975,560
							<u>48,976,565</u>
							<u>114,079,291</u>

* Includes balances invested under Section 9 of the *Public Account Act 1958*—\$1,564,000

DEBT CHARGES ACCOUNT.

The following particulars have been compiled from the Treasurer's Statements with the object of indicating the portion of the Revenue, other than Railway Income, which may be regarded as available for the payment of Interest, Sinking Fund Contributions, &c., that is, the amounts received to meet the Debt Charges paid for the year 1965-66.

Receipts.		\$	\$
<i>Paid to Revenue on account of Interest and Sinking Fund on Advances from the State's Loan Fund.</i>			
State Electricity Commission ..	..	11,051,433.02	
Country Roads Board ..	..	1,984,352.35	
Land Settlement ..	..	1,037,166.76	
Water Trusts and Corporations, &c. ..	..	1,119,783.33	
Banks—Interest on Public Account ..	..	2,077,790.14	
Rural Finance and Settlement Commission ..	..	1,077,488.62	
Latrobe Valley Water and Sewerage Board ..	..	501,530.81	
Gas and Fuel Corporation ..	..	491,366.93	
King-street Bridge ..	..	140,524.26	
Grain Elevators Board ..	..	103,234.29	
Melbourne and Metropolitan Board of Works ..	..	67,815.82	
Sewerage Authorities ..	..	72,780.97	
Miscellaneous ..	..	391,635.44	
		20,116,902.74	
<i>Paid to Revenue—Recoup of Interest Other Loans.</i>			
Commonwealth—State Housing Agreement—			
Housing Commission ..	..	10,808,125.74	
Home Builders' Account ..	..	2,386,731.46	
		13,194,857.20	
Commonwealth—Special Assistance Loans for Soldier Settlement ..		512,402.16	
<i>Balance—Amount which had to be met from Taxation and other sources</i>			
		..	71,792,087.34
		13,707,259.36	105,616,249.44
Payments.			
<i>On Funded Debt—</i>			
<i>Interest</i>			
Melbourne ..	..	72,058,109.92	
Overseas ..	..	5,092,246.90	
		77,150,356.82	
<i>Less—Rebate State Savings Bank ..</i>		500,000.00	
		76,650,356.82	
Expenses ..	..	275,867.59	
		76,926,224.41	
<i>Exchange on Overseas Interest ..</i>	..	..	2,344,492.02
<i>Sinking Fund Contributions ..</i>	..	..	16,514,342.26
<i>Loan Conversion Expenses ..</i>	..	..	76,706.00
			95,861,764.69
<i>Less—</i>			
Amount chargeable to Railway Operating Expenses ..	..	..	4,030,673.21
<i>Debit to Consolidated Revenue (Part I.) on account of Debt Charges on Public Debt ..</i>		..	91,831,091.48
<i>On Other Loans—</i>			
<i>Interest—</i>			
Commonwealth—State Housing Agreement ..	..	13,194,857.20	
Commonwealth Special Assistance Loans for Soldier Settlement ..	..	512,402.16	
Deposits ..	..	77,898.60	
		13,785,157.96	
			105,616,249.44

STATEMENT NO. 5—continued.

DEBT CHARGES.

STATISTICAL ANALYSIS.

Year.	Loan Liability (Average for each Year).*	Debt Charges Paid in each Year.	Net Amount Available 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.
	\$	\$	\$	\$	\$	\$	\$
1956-57 ..	927,532,096	42,205,504	9,416,724	32,788,780	4.5503	1.0152	3.5351
1957-58 ..	1,000,031,344	47,836,904	9,792,142	38,044,762	4.7835	.9792	3.8043
1958-59 ..	1,073,224,490	52,431,388	10,415,700	42,015,688	4.8854	.9705	3.9149
1959-60 ..	1,149,133,834	59,291,014	11,391,970	47,899,044	5.1596	.9914	4.1682
1960-61 ..	1,227,130,594	63,985,424	12,631,804	51,353,620	5.2142	1.0294	4.1848
1961-62 ..	1,307,485,994	70,531,858	14,240,528	56,291,330	5.3944	1.0891	4.3053
1962-63 ..	1,390,729,746	77,586,808	15,273,250	62,313,558	5.5788	1.0982	4.4806
1963-64 ..	1,480,024,702	82,770,468	16,999,080	65,771,388	5.5925	1.1486	4.4439
1964-65 ..	1,579,273,942	85,833,012†	17,639,432	68,193,580	5.4349	1.1169	4.3180
1965-66 ..	1,682,641,760	91,831,091‡	20,039,004	71,792,087	5.4575	1.1909	4.2666

* Excludes advances from Commonwealth Government for Housing and certain advances for Soldier Settlement.

† Excludes \$2,557,054 provided by Railway Income and from Railway Equalization Account and \$596,170 from Mallee Land Account.

‡ Excludes Railway Debt Charges, Special Appropriations, Part II.

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.
	\$	\$	\$	\$	\$	\$	\$
1956-57 ..	183,158,936	7,629,672	..	7,629,672	4.1656	..	4.1656
1957-58 ..	196,081,366	8,529,426	802,260	7,727,166	4.3499	.4091	3.9408
1958-59 ..	209,729,386	9,280,380	645,312	8,635,068	4.4249	.3077	4.1172
1959-60 ..	223,711,778	10,126,740	479,742	9,646,998	4.5267	.2145	4.3122
1960-61 ..	238,460,892	10,967,294	537,864	10,429,430	4.5992	.2256	4.3736
1961-62 ..	254,222,860	12,106,722	1,228,236	10,878,486	4.7622	.4831	4.2791
1962-63 ..	269,723,278	13,001,894	1,431,980	11,569,914	4.8204	.5309	4.2895
1963-64 ..	285,735,140	13,599,286	1,984,894	11,614,392	4.7594	.6947	4.0647
1964-65 ..	302,903,282	14,507,376	2,059,356	12,448,020	4.7894	.6799	4.1095
1965-66 ..	320,477,253	15,616,019	2,805,711	12,810,308	4.8727	.8755	3.9972

STATEMENT No. 6.

RAILWAY ACCOUNTS.

Statement of Railway Receipts and Expenditure, including Revenue and Loan Moneys.

Receipts.		\$	Expenditure.		\$
<i>Revenue—</i>			<i>Charged to Revenue—</i>		
Railway Income	99,156,283.30		Working Expenses	94,452,353.42	
Treasury credit for concessions in certain Country Freight Charges	286,000.00		Accident Fund	1,314,625.75	
Recoup Kerang-Koondrook Tramway Act	30,583.00		Renewals and Replacements Fund	400,000.00	
Recoup Pensioners' Fares Concessions	200,000.00		Commissioners' Salaries	39,575.00	
			Pensions and Gratuities	4,944,572.97	
	<u>99,672,866.30</u>			<u>101,151,127.14</u>	
			\$		
			Interest	3,725,965.62	
			Sinking Fund Contribution	175,707.06	
			Exchange on Overseas Interest	129,000.53	
				<u>4,030,673.21*</u>	105,181,800.35
<i>Loan—</i>			<i>Charged to Loan—</i>		
Applied from the Loan Fund	16,438,260.10		Way and Works	9,021,020.28	
			Rolling-stock, Equipment, Machinery, and other Works	7,358,252.69	
			Construction of new lines, &c.	58,987.13	
				<u>16,438,260.10</u>	
<i>Deficit—</i>					
Charged to Consolidated Revenue	5,508,934.05				
Total	<u>121,620,060.45</u>		Total		<u>121,620,060.45</u>

* Charged in accordance with the Railways Act 1958 as amended by the Railways (Funds) Act 1964.

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.	1960-61.	Per cent. of Revenue.	1961-62.	Per cent. of Revenue.	1962-63.	Per cent. of Revenue.	1963-64.	Per cent. of Revenue.	1964-65.	Per cent. of Revenue.	1965-66.	Per cent. of Revenue.
Working Expenses	\$ 77,753,132	} 91.2	\$ 80,000,064	} 93.1	\$ 80,935,968	} 93.4	\$ 85,239,868	} 92.3	\$ 92,629,816	} 92.8	\$ 94,452,353	} 94.8
Commissioners' Salaries	34,000		34,000		34,000		34,000		36,600		36,600	
Renewals and Replacements Fund	400,000	.5	400,000	.5	400,000	.5	400,000	.4	400,000	.4	400,000	.4
Railway Accident, &c., Fund	966,528	1.1	1,008,416	1.2	1,100,294	1.2	1,162,576	1.3	1,532,830	1.5	1,314,626	1.3
Pensions and Gratuities	4,253,994	5.0	4,516,582	5.2	4,657,308	5.4	4,796,690	5.2	4,870,490	4.9	4,944,573	5.0
National Debt Sinking Fund	422,464	.5	..	..	..	..	..	..	136,548	.2	175,707	.2
Interest	7,554,964	8.9	..	..	..	..	..	..	2,918,358	2.9	3,725,966	3.7
Exchange on Interest Payments in London	380,032	.5	..	..	..	..	..	..	130,724	.1	129,000	.1
Loan Conversion Expenses	2,034	..	..	..	..	..	..	..	..	..	..	..
Railway Equalization Account	1,840,694	2.1	7,318	..	..	..	740,758	.8	..	..	..	..
Receipts	93,607,842	109.8	85,966,380	100.0	87,127,570	100.5	92,376,492	100.0	102,655,366	102.8	105,181,800	105.5
Railway Equalization Account	85,248,346	100.0	85,966,380	100.0	86,708,402	100.0	92,376,492	100.0	99,857,190	100.0	99,672,866	100.0
Deficiency	8,359,496	9.8	..	..	419,168	.5	..	..	2,169,600	2.2	..	..
									628,576	.6	5,508,934	5.5

* Charges of this nature were terminated as from 1st July, 1961, vide *Railways (Funds) Act 1961*. As from 1st July, 1964, these charges operated on the basis of moneys borrowed for Railway purposes as from 1st July, 1960, vide *Railway (Funds) Act 1964*.

COUNTRY WATER SUPPLY.

RECEIPTS AND EXPENDITURE (adjusted to nearest dollar), 1965-66.

Receipts.		Expenditure.		Country Water Supply.	State Development Account.	Total
<i>Debt Charges—</i>	\$	<i>Charged to Revenue—</i>	\$	\$	\$	\$
Water Trusts and Other Corporations, &c.	..	Salaries and payments in the nature of salaries	..	4,956,160	..	4,956,160
	1,467,050	General Expenses	..	1,256,942	..	1,256,942
<i>Rates, &c.—</i>		Coliban	..	180,518	..	180,518
Coliban	..	Irrigation and Drainage Districts	..	2,180,788	..	2,180,788
Waterworks Districts	..	Waterworks Districts	..	903,286	..	903,286
Irrigation Districts	..	Flood Protection and Carrum Drainage	..	80,570	..	80,570
Urban Districts	..	Removal of Sand Drift	..	105,699	..	105,699
Flood Protection and Drainage Districts	..			9,663,963	..	9,663,963
Miscellaneous	..	Commissioners' Salaries	..	32,210	..	32,210
	356,504	Pensions and Gratuities	..	275,255	..	275,255
	8,891,392	National Debt Sinking Fund	..	165,189	..	165,189
<i>Recoups of Amounts paid from Revenue</i>	..			620,231	..	620,231
	2,418,697	Interest	..	11,262,682	..	11,262,682
	11,310,089	Exchange	..	320,990	..	320,990
	12,777,139	Loan Conversion Expenses	..	3,457	..	3,457
Total Revenue	..			11,587,129	..	11,587,129
	..			3,243,470	..	3,243,470
<i>Loan—</i>				14,830,599	..	14,830,599
<i>Country Water Supply—</i>	\$	<i>Charged to Loan—</i>		25,587,447	..	25,587,447
Applied from the Loan Fund	..	Trusts, &c. (for Advances)	..	3,349,493	..	3,349,493
Add Charges to Treasurer's Advance	..	Districts	..	13,815,895	..	13,815,895
	3,715,948	Plant and Machinery	..	171,238	..	171,238
	44,972	Latrobe Valley Water Supply	..	240,189	..	240,189
	3,760,920	Salt Affected Land—Acquisition, &c.	..	..	..	..
<i>State Development Account—</i>				13,931,955	..	13,931,955
Applied from the Loan Fund	..			3,760,920	..	3,760,920
	13,931,955			17,692,875	..	17,692,875
	17,692,875			12,810,308	..	12,810,308
Net Cost to Taxation and Revenue from Other Sources	..	<i>Total Loan Expenditure</i>	..	43,280,322	..	43,280,322
	..	Total Expenditure	..	17,692,875	..	17,692,875
	..			43,280,322	..	43,280,322

APPENDIX A.

TREASURER'S ADVANCE 1965-66.

The following amounts were charged to Treasurer's Advance at 30th June, 1966, pending the passing of the appropriate Loan Application Act :—

	\$	\$
<i>Public Works—</i>		
Cemetery Trustees—Loans	15,800.00	
Victorian College of Optometry	24,000.00	
Newmarket Stock Bridge	16,549.84	
Coal Canal Bridge	8,203.16	
	<hr/>	64,553.00
<i>Water Supply—</i>		
Dandenong Valley Authority .. .. .	.. .. .	44,971.57
<i>Railways—</i>		
Facilities at "Cresco" Fertilizers .. .. .	.. .. .	2,782.88
TOTAL .. .. .	.. .. .	<hr/>112,307.45 <hr/>

APPENDIX B.

STATEMENT OF STORES HELD FOR ISSUE BY GOVERNMENT DEPARTMENTS
AND PUBLIC AUTHORITIES.

Department or Public Authority.	Nature of Stores.	Value as at 30th June, 1966
1. Departments—		\$
Agriculture	Machinery and Equipment Parts, Fuel, Seed, Publications	191,456
Chief Secretary		
(a) Police Branch	Radio and Vehicle Parts, Clothing, Office Requisites	294,205
(b) Social Welfare Branch	Clothing, Bedding, Hardware, Materials for Manufacture	554,963
Crown Lands and Survey	Implements, Equipment, Plans, Photographic Materials	652,758
Education.. .. .	School Requisites, Books, Equipment and Office Requisites	1,094,297
Forests	Vehicle Parts, Tools, Fuel	353,535
Health (including Mental Health Authority) ..	Bedding, Hardware, Instruments, Clothing, Drugs ..	811,929
Mines	Machinery, Tools, Tubing, Chemicals	354,570
Public Works	Mechanical and Electrical Equipment, Spare Parts, Furniture, Building Materials	772,339
Railways (including State Coal Mine) ..	Engineering, Refreshment Services, General Stores ..	8,254,887
Treasurer—Government Printer	Paper, Stationery, Publications	1,011,441
Water Supply	Machinery Parts, Tools and General Stores ..	2,267,487
2. Public Authorities—		
Cancer Institute Board	Medical, Technical and General Stores	48,916
Council of Adult Education	Theatrical Equipment	8,100
Country Fire Authority	Fire Appliances, Hose, Spare Parts, Uniforms ..	114,202
Country Roads Board	Vehicle Parts and Accessories, Camping Equipment, General Stores	938,774
Egg and Egg Pulp Marketing Board ..	Eggs, Packing Materials, Spare Parts	410,333
Gas and Fuel Corporation	Gas Appliances, Fittings, General Stores	4,012,188
Geelong Harbor Trust	Engineering and Maintenance Stores	42,475
Housing Commission	Building Materials, Spare Parts	566,118
Latrobe Valley Water and Sewerage Board ..	Construction Materials, Pipes, Spare Parts ..	36,942
Melbourne and Metropolitan Board of Works	Engineering Stores, Spare Parts, Pipes, Meters ..	3,229,000
Melbourne and Metropolitan Tramways Board	Engineering Stores and Parts, Uniforms, Stationery ..	767,308
Melbourne Harbor Trust	Maintenance and Engineering Stores	882,902
Metropolitan Fire Brigades Board	Fire Appliances, Electrical and Engineering Stores, Uniforms	200,000
Monash University	Building Materials, Stationery, Books	203,346
Portland Harbor Trust	Maintenance and Engineering Stores	60,141
Rural Finance and Settlement Commission ..	Constructional and General Stores	87,467
State Electricity Commission	Electrical, Maintenance and Constructional Stores ..	7,805,944
State Relief Committee	Clothing, Bedding, Hardware, Provisions	131,628
Transport Regulation Board	Stationery and Office Requisites	17,811
University of Melbourne	Building Materials, Stationery, Chemicals, Glassware	134,356
Victorian Inland Meat Authority	Livestock, Meat, Packing Materials, General Stores	112,355
	Total	36,424,173

APPENDIX C-1

ENDOWMENTS AND GRANTS.

	1964-65.	1965-66.	Increase + Decrease -
	\$	\$	\$
Social—			
Alcoholism Foundation of Victoria	2,400	2,900	+ 500
Alexander Miller Memorial Homes Trust	5,000	5,000	..
Australia Day Council	2,500	2,500	..
Australian Association for United Nations	2,000	1,000	- 1,000
Australian Red Cross Society for After-care Treatment of Poliomyelitis Sufferers	32,000	32,000	..
Ballarat Youth Centre	1,600	1,600	..
Boys' Employment Movement	2,400	2,400	..
Boy Scouts Association	4,000	4,000	..
Bush Nursing	237,000	323,000	+ 86,000
Children's Welfare Association of Victoria	500	500	..
Father and Son Welfare Movement	1,200	1,200	..
Girl Guides Association	4,000	4,000	..
Lord Mayor's Children's Camp Fund	10,000	10,000	..
Marriage Guidance Council of Victoria	2,000	2,000	..
National Fitness Council	38,000	40,000	+ 2,000
National Safety Council	30,000	30,000	..
Occupational Therapy School	4,000	4,000	..
Old People's Welfare Council of Victoria	2,000	2,000	..
Over Fifty Association	800	800	..
Paraplegic Association of Victoria .. .. .	..	1,000	+ 1,000
Playgrounds and Recreation Association of Victoria	12,000	12,000	..
Probation Officers' Association	500	800	+ 300
Rotary Youth Club at Bendigo	1,000	1,000	..
Royal Humane Society	200	200	..
Royal Life Saving Society	14,000	14,000	..
St. John Ambulance Brigade	8,000	8,000	..
Salvation Army	1,000	1,000	..
Science and Technology Careers Bureau	3,100	3,656	+ 556
State Relief Committee	44,000	52,000	+ 8,000
Surf Life Saving Association of Australia	16,000	16,000	..
Victorian Amateur Swimming Association	800	2,000	+ 1,200
Victorian Council of Social Services	4,000	4,000	..
Victorian Family Council	1,000	1,000	..
Victorian Nursing Council	24,000	24,000	..
Walter and Eliza Hall Research Institute	36,000	36,000	..
Young Christian Workers Movement	2,000	2,000	..
Young Farmers' Clubs Association	31,400	32,000	+ 600
Young Men's Christian Association	4,000	4,000	..
Cultural—			
Bands	5,000	4,800	- 200
Children's Free Libraries	10,000	10,000	..
Country Art Galleries	21,000	24,000	+ 3,000
Country Free Libraries	18,000	18,000	..
Cultural Development	140,090	137,468	- 2,622
Municipal and Regional Libraries	826,126	940,892	+ 114,766
Orchestral Concerts	29,960	32,460	+ 2,500
Victorian Symphony Orchestra	65,000	65,000	..
Sundry—			
Animal Welfare League	1,000	1,000	..
Australian Publicity Council	10,000	10,000	..
Ballarat Fish Acclimatization Society	2,400	2,400	..
British Commonwealth Day Movement	500	500	..
British Commonwealth Youth Sunday	7,996	6,000	- 1,996
British Memorial Foundation	200	200	..
Cemeteries, Improvement and Maintenance	14,000	14,000	..
Commonwealth Parliamentary Association—Victoria Branch	18,748	18,495	- 253
Guide Dog Owners and Friends Association	1,000	1,000	..
Kerang Agricultural Research Farm .. .. .	..	1,000	+ 1,000

ENDOWMENTS AND GRANTS—*continued.*

	1964-65.	1965-66.	Increase + Decrease -
	\$	\$	\$
<i>Sundry—continued</i>			
Macalister Research Farm Co-operative Ltd. .. ..	..	2,000	+ 2,000
Melbourne Medical Post-Graduate Committee	4,000	4,000	..
National Association of Testing Authorities	700	700	..
National Council of Women of Victoria	2,000	2,000	..
National Trust of Australia (Victoria)	12,000	12,000	..
Phillip Island Koala Reserve Committee of Management..	3,000	3,000	..
Royal Institute of Public Administration	500	500	..
Royal Society for the Prevention of Cruelty to Animals	1,500	1,500	..
Save the Forests Campaign	10,000	10,000	..
Standards Association of Australia	3,000	3,000	..
Trustees, Shrine of Remembrance	2,000	2,000	..
Victorian Breeders Co-operative Society Ltd.	10,000	10,000	..
Victorian Field and Game Association	800	1,200	+ 400
Victorian Girls Marching Association .. ..	..	1,500	+ 1,500
Victorian Piscatorial Council	2,428	2,850	+ 422
Victorian Rural Fire Brigades Association	2,000	2,000	..
Victorian Small Bore Rifle Association.. ..	..	300	+ 300
War Nurses Memorial Centre	4,000	4,000	..
Water Research Foundation of Australia Ltd.	10,000	10,000	..
Women's Prison Council	100	100	..
Zoological Board of Victoria	40,000	23,000	- 17,000
Total	1,863,448	2,066,421	+ 202,973

The Treasury vote for cultural development is included in total in the above statement. A dissection of the allocations from this vote is given in Appendix C-2.

APPENDIX C-2.

CULTURAL DEVELOPMENT ALLOCATIONS, 1965-66.									\$
All Nations Together Society .. .. .	..	..	..	..	..	..	..	..	100
Ararat Drama Group .. .. .	..	..	..	..	..	..	..	..	50
Ararat Music Club .. .. .	..	..	..	..	..	..	..	..	200
Astra Chamber Orchestral Society .. .. .	..	..	..	..	..	..	..	..	1,200
Australian Boys' Choir .. .. .	..	..	..	..	..	..	..	..	200
Australian Elizabethan Theatre Trust .. .. .	..	..	..	..	..	..	..	..	50,000
Australian National Theatre Limited .. .. .	..	..	..	..	..	..	..	..	28,500
Bacchus Marsh Players .. .. .	..	..	..	..	..	..	..	..	100
Ballarat Ballet Guild .. .. .	..	..	..	..	..	..	..	..	100
Ballarat Begonia Festival Committee .. .. .	..	..	..	..	..	..	..	..	2,000
Ballarat Calisthenic College .. .. .	..	..	..	..	..	..	..	..	200
Ballarat Choral Society .. .. .	..	..	..	..	..	..	..	..	100
Ballarat Civic Male Choir .. .. .	..	..	..	..	..	..	..	..	100
Ballarat Light Opera Company .. .. .	..	..	..	..	..	..	..	..	50
Ballarat Lyric Theatre .. .. .	..	..	..	..	..	..	..	..	100
Ballarat Music Lovers' Club .. .. .	..	..	..	..	..	..	..	..	100
Ballarat Orchestra Association .. .. .	..	..	..	..	..	..	..	..	500
Balmoral Drama Group .. .. .	..	..	..	..	..	..	..	..	50
Beaumaris Art Group .. .. .	..	..	..	..	..	..	..	..	100
Beaumaris Players Club .. .. .	..	..	..	..	..	..	..	..	100
Beechworth Music Group .. .. .	..	..	..	..	..	..	..	..	100
Benalla Arts Group .. .. .	..	..	..	..	..	..	..	..	50
Bendigo Competitions Society .. .. .	..	..	..	..	..	..	..	..	1,400
Bendigo Music Advancement Society .. .. .	..	..	..	..	..	..	..	..	500
Bendigo Music Lovers' Club .. .. .	..	..	..	..	..	..	..	..	150
Bendigo Operatic Society .. .. .	..	..	..	..	..	..	..	..	200
Bendigo Shakespeare Literary Society .. .. .	..	..	..	..	..	..	..	..	50
Berwick Drama Group .. .. .	..	..	..	..	..	..	..	..	50
Boort Choristers .. .. .	..	..	..	..	..	..	..	..	50
Boort Music, Literature and Arts Society .. .. .	..	..	..	..	..	..	..	..	50
Bright Music and Drama Group .. .. .	..	..	..	..	..	..	..	..	50
Brunswick City Choral Society .. .. .	..	..	..	..	..	..	..	..	50
Camberwell City Philharmonic Society .. .. .	..	..	..	..	..	..	..	..	200
Camperdown Musical Society .. .. .	..	..	..	..	..	..	..	..	300
Camperdown Repertory Society .. .. .	..	..	..	..	..	..	..	..	200
"Carols by Candlelight", Melbourne .. .. .	..	..	..	..	..	..	..	..	1,000
Casterton Music Circle .. .. .	..	..	..	..	..	..	..	..	100
Castlemaine Light Opera Company .. .. .	..	..	..	..	..	..	..	..	100
Caulfield Players .. .. .	..	..	..	..	..	..	..	..	100
Children's Theatre Guild .. .. .	..	..	..	..	..	..	..	..	1,000
Cohuna Drama Club .. .. .	..	..	..	..	..	..	..	..	50
Colac Music Lovers' Club .. .. .	..	..	..	..	..	..	..	..	150
Contemporary Art Society of Australia .. .. .	..	..	..	..	..	..	..	..	300
Dandenong Festival of Music and Art for Youth .. .. .	..	..	..	..	..	..	..	..	2,500
Daylesford Highland Gathering Committee .. .. .	..	..	..	..	..	..	..	..	1,000
Debaters' Association of Victoria .. .. .	..	..	..	..	..	..	..	..	200
Donald Music, Literature and Art Society .. .. .	..	..	..	..	..	..	..	..	50
Echuca Music Group .. .. .	..	..	..	..	..	..	..	..	100
Essendon Society of Arts .. .. .	..	..	..	..	..	..	..	..	100
Fellowship of Australian Writers .. .. .	..	..	..	..	..	..	..	..	400
Fern Tree Gully and Mountain District Music and Arts Festival .. .. .	..	..	..	..	..	..	..	..	300
Fern Tree Gully Arts Society .. .. .	..	..	..	..	..	..	..	..	200
Footscray West End Eisteddfod .. .. .	..	..	..	..	..	..	..	..	600
Frankston Theatre Group .. .. .	..	..	..	..	..	..	..	..	300
Garrick Repertory Company .. .. .	..	..	..	..	..	..	..	..	100
Geelong Association of Music and Art .. .. .	..	..	..	..	..	..	..	..	1,000
Geelong Society of Operatic and Dramatic Art .. .. .	..	..	..	..	..	..	..	..	400
Gilbert and Sullivan Society of Victoria .. .. .	..	..	..	..	..	..	..	..	100
Golden Square Choral Society .. .. .	..	..	..	..	..	..	..	..	100
Goulburn Valley Drama Association .. .. .	..	..	..	..	..	..	..	..	100
Hamilton Arts Council .. .. .	..	..	..	..	..	..	..	..	600
Hamilton Music Club .. .. .	..	..	..	..	..	..	..	..	100
Hartwell Eisteddfod Committee .. .. .	..	..	..	..	..	..	..	..	200
Heidelberg City Choir .. .. .	..	..	..	..	..	..	..	..	100
Heidelberg City Repertory Group .. .. .	..	..	..	..	..	..	..	..	400
Horsham Arts Council .. .. .	..	..	..	..	..	..	..	..	400
Horsham Orchestral Society .. .. .	..	..	..	..	..	..	..	..	50
Jewish Society of Arts .. .. .	..	..	..	..	..	..	..	..	100
Kerang Drama Group .. .. .	..	..	..	..	..	..	..	..	50
Kerang Music Society .. .. .	..	..	..	..	..	..	..	..	50
Kew Philharmonic Society .. .. .	..	..	..	..	..	..	..	..	150
Korumburra Arts Society .. .. .	..	..	..	..	..	..	..	..	100
Kyneton Choral Society .. .. .	..	..	..	..	..	..	..	..	100
Kyneton Lions Club Drama Festival .. .. .	..	..	..	..	..	..	..	..	400
Latrobe Valley Eisteddfod .. .. .	..	..	..	..	..	..	..	..	400

APPENDIX C-2—continued.

	\$
Latrobe Light Opera Society	100
Library Week Committee	200
Maffra Dramatic Society	100
Malvern Arts Council	100
Maryborough Arts Society	500
Melba Memorial Conservatorium of Music	1,500
Moe City Choir	50
Moe Amateur Dramatic Company	50
Moomba Festival	12,938
Moorabbin City Arts Festival	250
Moorabbin City Theatre Group	100
Mordialloc City Philharmonic Society	200
Mordialloc Eisteddfod	100
Mornington Eisteddfod	200
Mortlake Drama Group	50
Morwell Art Group	50
Morwell Male Choir	50
Morwell Players	100
Mount Beauty Drama Group	50
National Theatre Movement (Ballarat Branch)	600
National Theatre Movement (Swan Hill Branch)	600
Newtown and Chilwell Highland Gathering Committee	200
Nhill Musical and Drama Society	50
Northcote Dramatic Society	100
Orbost Drama Group	50
Oriana Madrigal Choir	100
Pilgrim Theatre	150
Portland Council for the Encouragement of Music and the Arts	200
Qambatook Music and Dramatic Club	50
"Q" Theatre Guild	400
Red Cliffs Musical Society	50
Red Cliffs Players	50
Ringwood Arts and Crafts Society	100
Rochester Music and Drama Circle	50
Royal South Street Society	3,000
St. Arnaud Drama Group	100
St. John's Competitions, Ballarat	250
Sale Arts Festival	600
Sale Eisteddfod Society	400
Sale Repertory Group	100
Sandringham Symphony Orchestra	200
Seymour Music Club	100
Shepparton Dramatic Society	100
Shepparton Musical Advancement Society	300
Shepparton Symphony Orchestra	430
South Gippsland Eisteddfod	100
South Melbourne City Philharmonic Society	50
Stawell Choral Society	100
Strathmore Theatrical Arts Group	100
Terang Dramatic Society	50
Thespians (Yallourn) Dramatic Society	50
Thorpdale Drama Group	50
Toora Drama Group	50
Traralgon Music, Drama and Art Society	300
Victorian Artists Society	1,000
Victorian Ballet Guild	2,500
Victorian Drama League	1,500
Victorian Highland Pipe Band Association	1,500
Victorian Opera Company	500
Wangaratta Arts Council	1,500
Wangaratta Eisteddfod Society	50
Wangaratta Players	100
Warragul Dramatic Society	100
Warrandyte Arts Association	300
Warrnambool City Musical Society	100
Warrnambool Theatre Group	200
Wendouree Arts Council	50
Western District Eisteddfod	500
Western Philharmonic Society	100
Williamstown Light Opera Company	200
Williamstown Little Theatre Movement	300
Williamstown Orchestral Society	50
Yallourn Madrigal Singers	50
Yallourn Orchestral and Choral Society	200
TOTAL	137,468

APPENDIX D.

SUMMARY OF RECEIPTS AND PAYMENTS FOR YEAR ENDED 30TH JUNE, 1966, 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.	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Victorian Plant Research Institute &c., Burnley	6,072	..	707	6,779	90,129	13,472	14,338	117,939	111,160
Agricultural College, Dookie ..	76,004	45,743	24,945	146,692	311,530	132,891	59,300	503,721	357,029
Agricultural College, Dookie, Stock Trading Account ..	..	56,811	..	56,811	..	23,323	..	23,323	Cr. 33,488
Dairy College, Glenormiston ..	..	38,912	1,187	40,099	28,987	25,343	9,416	63,746	23,647
Agricultural College, Longerenong	35,856	38,095	12,750	86,701	175,681	61,305	50,643	287,629	200,928
Agricultural College, Longerenong, Stock Trading Account ..	..	14,940	..	14,940	..	9,211	..	9,211	Cr. 5,729
Gilbert Chandler Institute of Dairy Technology, Werribee ..	231	16,668	1,755	18,654	20,995	31,346	192,118	244,459	225,805
Dairy Research Station, Ellinbank ..	..	19,177	2,119	21,296	42,224	22,173	151,710	216,107	194,811
Potato Research Station, Healesville ..	..	3,460	425	3,885	29,575	18,499	33,087	81,161	77,276
Research Station, Mildura	..	5,858	..	5,858	11,426	4,854	30,702	46,982	41,124
Tobacco Research Station, Myrtleford ..	..	2,044	396	2,440	10,424	3,642	1,261	15,327	12,887
Research Station, Rutherglen ..	..	54,327	4,190	58,517	63,395	50,409	14,402	128,206	69,689
Viticultural Station, Rutherglen ..	..	9,497	440	9,937	24,910	4,829	538	30,277	20,340
Research Station, Scoresby	..	12,582	355	12,937	52,342	21,149	15,100	88,591	75,654
Research Station, Tatura	..	30,007	5,717	35,724	50,838	33,885	16,563	101,286	65,562
Mallee Research Station, Walpeup ..	..	15,497	5,707	21,204	21,525	5,552	15,186	42,263	21,059
Research Farm &c., Werribee ..	..	48,070	13,032	61,102	160,445	96,066	49,524	306,035	244,933
Pastoral Research Station, Hamilton ..	..	31,635	1,024	32,659	28,197	52,753	116,740	197,690	165,031
Irrigation Research Station, Kyabram ..	..	23,629	754	24,383	23,934	14,774	19,293	58,001	33,618
Vegetable Research Station, Frankston ..	..	..	..	..	464	1,055	12,486	14,005	14,005
Veterinary Research Station, Attwood ..	..	..	..	..	457	1,182	14,210	15,849	15,849
Wheat Research Institute, Horsham ..	..	..	..	..	4,885	148	14,860	19,893	19,893
	118,163	466,952	75,503	660,618	1,152,363	627,861	831,477	2,611,701	1,951,083

Receipts and payments in respect of Trust Funds affecting the institutions have not been included in the above statement. The main item of receipt was \$140,000 for the Tobacco Research station at Myrtleford. Relevant expenditure from the Trust Funds amounted to \$580,092.

Agricultural Colleges, Dookie and Longerenong, Stock Trading Accounts—The above statement does not include payments to Consolidated Revenue amounting to \$52,000 (Dookie, \$40,000, Longerenong, \$12,000), being surplus funds in these Stock Trading Accounts (Act No. 6194, Section 9A (5) (b) as amended).

APPENDIX E

EDUCATION DEPARTMENT
Comparative Analysis of Expenditure from Loan and Revenue &c.

NOTE:—1965-66 shown in heavy type.
1964-65 shown in light type.

	Administration	Central Schools and Classes	Correspondence Schools	Girls' Secondary Schools	High Schools	Higher Elementary Schools	Primary Schools	Registered Schools	Special Schools and Hostels attached thereto	Special Activities (Library, Music, Visual Education, &c.)	Technical Schools	Teachers' Colleges	Teachers' Colleges Hostels	Universities	Pensions, &c.	Miscellaneous	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EXPENDITURE.																	
Salaries (including Pay-roll Tax)	1,986,885 1,774,170																1,986,885 1,774,170
Salaries—Teachers (including Pay-roll Tax)		372,984 359,526	383,254 351,916	984,027 1,261,762	24,315,897 20,727,902	110,140 200,540	41,918,159 38,279,284		1,323,260 1,112,044	2,574,878 2,330,384	15,100,393 13,354,020	2,540,965 2,143,094					89,623,957 80,120,472
Salaries—Teachers, &c., in Charge of Hostels (including Pay-roll Tax)									8,241 7,776				44,373 39,912				52,614 47,688
Salaries—Clerical Assistance (including Pay-roll Tax)		12,026 11,858	26,635 26,166	33,755 33,872	612,439 538,950		11,302 11,560			56,373 48,270	1,075	86,973 73,994					849,439 751,434
Wages—Domestic Staff									19,498 16,872	19,783 18,200			396,077 370,898				435,558 405,970
Allowances to Students in Training																	9,574,614 8,594,812
Buildings (including Residences), Furniture, &c. (including Maintenance)	129,502 743,820	17,951 10,930	6,002	234,877 127,846	10,861,968 7,317,604	2,089 2,938	11,060,277 12,167,670	704,579 754,000	75,412 84,550	233 142	6,202,172 5,070,676	1,180,526 312,108	90,010 87,556				35,335,488 31,722,050
Buildings—Rentals				2,517 838	6,726 6,478		27,506 18,310		282		14,094 8,336		4,610 2,430				55,735 36,392
Travelling Expenses, Office Requisites, School Cleaning, Equipment, &c.	502,113 495,868	91,703 61,556	37,188 46,600	163,586 127,800	2,704,877 2,101,644	41,895 20,214	3,125,997 2,784,710	19,130 1,072	104,113 99,750	270,514 262,252	1,155,720 1,200,404	392,380 317,760		1,140			8,609,216 7,520,770
Domestic Arts and Manual Training—class materials, &c.		1,307 894		40,527 53,980	454,390 410,566	4,923 4,850	24,613 26,882		7,187 5,610	542 518	590 182	1,523 2,078					535,602 505,562
Conveyance of Pupils		11,371 10,920		97,029 89,460	2,215,413 2,095,084	33,417 31,944	1,877,242 1,780,856	1,152,884 1,057,166	124,954 117,474	6,080 8,644	895,122 817,910						6,413,512 6,009,458
Bursaries, Scholarships, and Maintenance allowances	1,866 2,428	6,857 5,442	99 16	55,137 71,268	949,258 765,654	5,267 4,940	5,532 4,366	967,761 712,496	218 344	2,174	408,595 349,132	498 2,542					2,426,148 1,943,268
Fees—University and other																	472,765 330,808
Teachers Tribunal	41,171 40,338																41,171 40,338
Grants	179,544 177,262				2,456 2,386		4,361 2,182	6,776 9,430	5,950 4,300	19,743 20,566	22,204 3,600	133,296 75,000		10,717,600 9,058,068			11,091,930 9,352,794
Pensions and Superannuation to retired Teachers and Officers															2,967,469 2,643,548		2,967,469 2,643,548
Costs of Text Books and other publications																165,322 156,614	165,322 156,614
Allowances, Maintenance, &c. (under reciprocal arrangements with other States)																8,814 6,630	8,814 6,630

APPENDIX F.

Statement setting out briefly the effect of every Order-in-Council issued under the provisions of sub-section (1) of Section 25 of the *Audit Act* 1958.

Vote.			Particulars.	Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.
Division.	Sub-Division.	Item.			
PARLIAMENT.					
				\$	\$
2	2	1	<i>Legislative Assembly—</i>		
		2	Travelling and subsistence	1,350	1,400
		3	Office requisites and equipment, printing and stationery	1,600	1,200
		4	Books and publications, other incidental expenses	4,200	4,500
		5	Postal and telephone expenses	350	400
3	2	1	<i>Legislative Council and Legislative Assembly House Committee—</i>		
		2	Travelling and subsistence	180	190
		3	Stores, tools and equipment, garden requisites, &c.	400	390
5	1	2	<i>Parliament Library—</i>		
		3	Salaries and allowances	16,710	16,707
		4	Overtime and penalty rates	240	243
6	1	2	<i>Parliamentary Debates—</i>		
		3	Salaries and allowances	71,016	70,913
		4	Overtime and penalty rates	200	303
PREMIER.					
7	1	1	<i>Governor's Office—</i>		
		2	Salaries and allowances	14,664	14,778
		3	Overtime and penalty rates	3,400	3,286
8	2	1	<i>Premier's Office—</i>		
		2	Travelling and subsistence	10,000	11,322
		3	Office requisites and equipment, printing and stationery	6,700	6,379
		4	Books and publications, other incidental expenses	7,800	5,891
		5	Postal and telephone expenses	5,200	5,400
		6	Motor vehicles—Purchase and running expenses	31,400	31,079
		7	Publicity	4,000	2,974
		8	Expenses of entertainment of visitors, &c., late sittings of Parliament, funerals, memorials, &c.	20,000	22,095
		9	Air travel of members of Parliament, Ministers, &c., Fares over Commonwealth Railways	9,000	8,960
		10	Alpine Resorts Development Advisory Committee—Expenses	100	15
		11	National Parks Fund (Act No. 6326)—Payment State Film Centre	65,000	65,085
9	2	2	<i>State Film Centre—</i>		
		3	Office requisites and equipment, printing and stationery	4,000	5,840
		4	Books and publications, other incidental expenses	3,900	2,060
10	1	1	<i>Soil Conservation Authority—</i>		
		2	Salaries and allowances	408,552	408,052
		3	Payments in lieu of long service leave	3,792	4,292
11	2	1	<i>State Development—</i>		
		2	Travelling and subsistence	3,100	2,600
		3	Office requisites and equipment, printing and stationery	1,700	1,900
		4	Postal and telephone expenses	1,100	2,040
		5	Regional Committees	5,000	5,500
		6	Publicity	10,000	8,860
13	2	1	<i>Public Service Board—</i>		
		2	Travelling and subsistence	3,500	3,982
		3	Postal and telephone expenses	1,300	1,261
		4	Examination Expenses—Including fees to examiners and supervisors	2,300	1,857
14	1	2	<i>Audit Office—</i>		
		3	Overtime and penalty rates	4,600	4,732
		4	Payments in lieu of long service leave	23,860	23,728
		5	Travelling and subsistence	16,000	16,200
		6	Motor vehicles—Purchase and running expenses	1,260	1,060
CHIEF SECRETARY.					
15	2	1	Travelling and subsistence	2,200	3,180
		2	Office requisites and equipment, printing and stationery	20,400	19,420
		3	Commissions and Boards of Enquiry	20,000	18,701
		4	<i>Building Societies (Amendment) Act 1961, No. 6765—Expenses</i>	200	443
		5	<i>Premiums Committee—(Motor Car Act 1958, No. 6325)—Expenses</i>	100	156
		6	Country Art Galleries—Grants	23,000	24,000
16	2	1	<i>Totalizator Administration—</i>		
		2	Travelling and subsistence	4,720	4,393
		3	Office requisites and equipment, printing and stationery	400	136
		4	Books and publications, other incidental expenses	1,740	2,331
17	1	1	<i>Traffic Commission—</i>		
		2	Salaries and allowances	43,728	43,178
		3	Overtime and penalty rates	2,200	2,750
		4	Office requisites and equipment, printing and stationery	7,000	6,300
		5	Postal and telephone expenses	2,000	2,500
		6	Motor vehicles—Purchase and running expenses	1,900	2,100
21	1	2	<i>Fisheries and Wildlife—</i>		
		3	Overtime and penalty rates	2,400	2,075
		4	Payments in lieu of long service leave	2,026	2,351
		5	Office requisites and equipment, printing and stationery	10,000	9,650
		6	Books and publications, other incidental expenses	3,400	4,650
		7	Motor vehicles—Purchase and running expenses	80,000	78,750
		8	Fuel, light, power and water	4,500	4,850
24	1	1	<i>Social Welfare Administration and Research and Statistics—</i>		
		2	Salaries and allowances	155,962	151,841
		3	Overtime and penalty rates	2,400	6,521
		4	Travelling and subsistence	1,600	1,900
		5	Office requisites and equipment, printing and stationery	9,400	7,400
		6	Books and publications, other incidental expenses	1,200	832
		7	Postal and telephone expenses	19,000	21,195
		8	Motor vehicles—Purchase and running expenses	800	673
25	2	1	<i>Family Welfare—</i>		
		2	Travelling and subsistence	25,000	27,250
		3	Postal and telephone expenses	10,600	12,700
		4	Fuel, light, power and water	32,000	24,000
		5	Stores, provisions, plant, equipment and other expenses of governmental institutions, homes and hostels	214,000	236,350
		6	Expenses including grants and subsidies in connexion with State wards, children and young persons in foster homes, private board, non-government institutions and hostels and assistance to children in necessitous circumstances	1,908,000	1,890,000
		7	Maintenance of migrant children	2,500	1,800
26	2	1	<i>Youth Welfare—</i>		
		2	Travelling and subsistence	9,500	11,350
		3	Books and publications, other incidental expenses	3,000	1,994
		4	Postal and telephone expenses	7,200	9,200
		5	Motor vehicles—Purchase and running expenses	11,000	11,006
		6	Fuel, light, power and water	50,000	41,650
		7	Stores, provisions, plant, equipment and other expenses of governmental institutions, homes and hostels	240,000	232,400
		8	Expenses including grants and subsidies in connexion with State wards, youth trainees and young persons formerly accommodated in institutions, in private board, non-government institutions and hostels	184,000	200,000

APPENDIX F.—continued.

Vote.			Particulars.	Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.
Division.	Sub-Division.	Item.			
CHIEF SECRETARY—continued.					
				\$	\$
26	2	9	Allowances to trainees	43,000	40,100
	3	1	Youth Advisory Council—Fees and travelling expenses	750	929
		2	Rail travel for parents visiting trainees in youth training centres	2,000	1,821
27	2	2	<i>Prisons—</i> Office requisites and equipment, printing and stationery	8,000	5,480
		4	Postal and telephone expenses	9,600	12,120
28	2	1	<i>Training—</i> Travelling and subsistence	1,100	1,500
		2	Office requisites and equipment, printing and stationery	3,500	2,900
		4	Postal and telephone expenses	1,000	1,200
	3	2	Bursaries to students in youth leadership and child care	7,750	8,459
		3	Fees to lecturers in youth leadership and child care	5,000	4,291
29	1	1	<i>Probation and Parole—</i> Salaries and allowances	185,576	195,095
		2	Overtime and penalty rates	30,000	20,481
	2	1	Travelling and subsistence	13,200	14,500
		2	Office requisites and equipment, printing and stationery	6,000	5,436
		3	Books and publications, other incidental expenses	800	524
		4	Postal and telephone expenses	1,800	2,320
		5	Motor vehicles—Purchase and running expenses	5,440	4,460
30	2	1	<i>Police—</i> Travelling and subsistence	493,000	563,000
		2	Office requisites and equipment, printing and stationery	223,600	223,453
		3	Books and publications, other incidental expenses	140,000	147,951
		5	Motor vehicles—Purchase and running expenses	894,000	842,540
		7	Personal equipment, uniforms, clothing and bedding	126,000	107,315
		8	Radio, photographic and scientific equipment and materials, including installation of communications relative to D24	68,000	67,661
		10	Transport of prisoners, search parties and traffic school—Travelling expenses, &c.	48,000	41,466
		11	Training equipment and materials	1,200	535
		12	Burials	6,000	5,986
		13	Provisions for police hospital	6,000	5,545
		14	Allowance to the Medical Officer of the Police Force	4,808	5,181
		15	Police long service and good conduct medals	200	175
32	..	..	<i>State Library, National Gallery, National Museum and Institute of Applied Science Administration—</i> Salaries and allowances	141,318	140,857
	1	1	Overtime and penalty rates	10,100	10,561
	2	3	Books and publications, other incidental expenses	19,140	21,140
		4	Postal and telephone expenses	10,800	9,800
		5	Fuel, light, power and water	25,200	23,200
		6	Buildings, fittings, furniture, equipment, &c.—Maintenance, repairs, alterations and renewals	3,600	4,600
33	1	1	<i>State Library—</i> Salaries and allowances	345,390	344,725
		3	Payments in lieu of long service leave	4,856	5,521
38	2	1	<i>Immigration—</i> Travelling and subsistence	9,000	8,360
		3	Books and publications, other incidental expenses	560	620
		4	Postal and telephone expenses	2,420	3,000
LABOUR AND INDUSTRY.					
39	2	3	Books and publications, other incidental expenses	3,000	3,010
		6	Expenses of Boards and Industrial Appeals Court	11,500	11,490
	3	1	Apprenticeship Commission—Fees and allowances	1,280	1,281
		6	Subsidies to apprentices attending continuous courses of instruction remote from place of residence or work	18,000	17,999
EDUCATION.					
40	1	2	Salaries and allowances	89,879,472	89,855,472
		3	Overtime and penalty rates	34,000	58,220
		4	Payments in lieu of long service leave	1,260,000	1,259,780
	2	1	Travelling and subsistence	333,000	351,000
		2	Books and publications, other incidental expenses	354,000	336,000
		3	Postal and telephone expenses	204,000	192,000
		5	School and office equipment (including subsidies) and school and office requisites, including equipment, &c., for Registered schools (to be recouped), printing and stationery	1,008,000	988,827
		11	Expenses in connexion with examinations	120,000	124,397
		12	Refund of school fees, rents, &c.	4,000	4,076
		13	Allowances to school cleaners, groundsmen and boilermen	3,292,000	3,318,700
	3	1	Scholarships and bursaries (fees and allowances) and allowances for maintenance and requisites	2,510,000	2,415,516
		2	Subsidies to holders of free places and senior scholarships (University and Technical)	13,000	10,633
		3	Allowances to students in training	9,640,000	9,645,753
		4	Provision of bus services and pupils' travelling allowances	6,332,000	6,414,120
		5	Expenses in connexion with hostels attached to Teachers' Colleges, Training Centres or Special Schools	777,000	782,000
		6	Subsidies to hostels established in connexion with Country High and Technical Schools and Special Schools	13,186	11,937
		7	Students attending schools under reciprocal arrangements with other States—Maintenance and allowances	7,800	8,815
		8	Fellowship to University of London	346	345
		9	Speech therapy and psychological tests, &c.—Travelling expenses of country children and parents	8,000	8,293
		10	Expenses in connexion with residential group activities of students in training and pupils at Somers and elsewhere	49,300	49,192
		11	Minor repairs to inspectors' residences, buildings, grounds and equipment where there is no school committee	1,200	1,182
		15	Australian Council for Educational Research—Grant	4,140	8,280
		22	Expenses in connexion with the provision of emergency temporary accommodation for pupils of "Christ the King" School, Braybrook, destroyed by fire	6,930	6,776
		23	Towards expense of conducting a school by the Victorian Committee for the promotion of Oral education of the Deaf	7,636	7,743
		24	Subsidies for fencing school endowment plantations	5,000	4,953
41	2	1	<i>Teachers Tribunal—</i> Travelling and Subsistence	500	268
		2	Office requisites and equipment, printing and stationery	600	297
		3	Books and publications, other incidental expenses	400	976
		4	Postal and telephone expenses	600	559
ATTORNEY-GENERAL.					
42	1	2	Salaries and allowances	1,280,664	1,281,147
		3	Overtime and penalty rates	43,000	42,517
	2	1	Travelling and subsistence	50,000	41,674
		2	Office requisites and equipment, printing and stationery	72,000	67,713
		3	Books and publications, other incidental expenses	36,000	43,000

APPENDIX F.—continued.

Vote.			Particulars.	Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.
Division.	Sub-Division.	Item.			
ATTORNEY-GENERAL—continued.					
42	2	4	Postal and telephone expenses	19,000	18,945
		5	Motor vehicles—Purchase and running expenses	4,000	3,990
		6	Fuel, light, power and water	20,000	17,984
		7	Allowances to witnesses	10,000	12,000
		8	Payments to Jurors—Compensation and travelling expenses	340,000	334,174
		9	Professional assistance	140,000	132,948
		10	Costs payable by the Crown	28,000	4,061
		11	Appearance fees—Prosecutors for the Queen	14,000	6,949
		12	Costs—Companies (Special Investigations)	60,000	115,002
		13	Refunds of Jury Fees	40,000	34,560
43	1	1	<i>Courts Administration—</i> Salaries and allowances	1,613,632	1,614,142
		2	Overtime and penalty rates	3,100	4,861
		3	Payments in lieu of long service leave	21,826	19,555
	2	2	Office requisites and equipment, printing and stationery	44,000	46,100
		3	Books and publications, other incidental expenses	74,000	71,900
		6	Materials and equipment for Coroner's Court and Country Mortuaries	10,000	11,084
		7	Expenses in connexion with post mortem examinations	70,000	68,916
44	2	2	<i>Registrar-General and Registrar of Titles—</i> Office requisites and equipment, printing and stationery	80,000	78,791
		6	Fuel, light, power, and water	11,000	12,209
45	1	1	<i>Registrar of Companies—</i> Salaries and allowances	160,142	159,642
		2	Overtime and penalty rates	6,000	6,137
		3	Payments in lieu of long service leave	2,346	2,709
47	2	1	<i>Public Trustee—</i> Travelling and subsistence	2,400	2,738
		2	Office requisites and equipment, printing and stationery	9,200	9,151
		3	Books and publications, other incidental expenses	5,100	6,032
		4	Postal and telephone expenses	12,000	11,632
		5	Publicity	3,000	2,147
TREASURY.					
48	2	1	Travelling and subsistence	2,200	1,827
		2	Office requisites and equipment, printing and stationery	9,400	10,470
		3	Books and publications, other incidental expenses	900	2,409
		4	Postal and telephone expenses	9,000	7,658
		6	Refunds of moneys unclaimed over six years and transferred to the Consolidated Revenue	2,000	1,136
	3	2	Payment to New Zealand Government in respect of subscriptions in New Zealand to Tattersall Consultations	276,000	260,591
		3	Payment to Government of Tasmania in respect of subscriptions received by accredited representatives in Tasmania to Tattersall Consultations	150,000	152,339
		9	Refunds of moneys paid for permits, licences, penalties, stamp duties, &c.	100,000	79,335
		18	Rail passes to incapacitated and blind ex-members of the Defence Forces	180,000	189,887
		23	Recoup to Railways Department in accordance with <i>Kerang and Koonrook Tramway Act 1951 No. 5591, Section 7 (2)</i>	27,400	30,583
		32	Victorian Promotion Trust Fund—Contribution	140,000	151,000
		51	Commonwealth Parliamentary Association—Victorian Branch—Grant	11,290	18,495
		64	Orchestral Concerts, Melbourne and country districts (including State Service Concert Orchestra, \$4,000)—Grant towards expenses of providing concerts	28,000	30,460
51	2	1	<i>State Superannuation Board—</i> Travelling and subsistence	1,600	1,841
		2	Office requisites and equipment, printing and stationery	47,760	47,519
54	2	2	<i>Stamp Duties—</i> Office requisites and equipment, printing and stationery	72,000	73,070
		3	Books and publications, other incidental expenses	4,480	5,685
		6	Commission on sale of duty stamps, &c.	134,000	131,725
	3	1	Bookmakers' and Bookmakers' Clerks' Committee—Fees of members	1,900	1,913
		2	Stamp duty and fees in respect of powers of attorney executed by members of the Defence Forces (including nurses) enlisting for service overseas or continuously employed on war service in Australia	20	7
55	1	1	<i>Government Printer—</i> Salaries and allowances	1,236,888	1,233,564
		2	Overtime and penalty rates	140,000	147,840
		3	Payments in lieu of long service leave	28,300	23,784
LANDS AND SURVEY.					
56	1	3	Overtime and penalty rates	18,000	17,984
		4	Payments in lieu of long service leave	23,334	23,350
	2	2	Office requisites and equipment, printing and stationery	48,000	45,300
		3	Books and publications, other incidental expenses	7,200	7,100
		8	Expenses in connexion with surveys of land other than staff surveys	16,000	18,700
		9	Fees for registration of powers of attorney and liens on crops, registration and discharge of mortgages, commission on sales of land, commission on royalties	800	900
	3	2	Aerial Survey—Purchase of instruments, machines, equipment and other expenses	136,000	136,660
		5	Vermin and Noxious Weeds Destruction Board—Scholarship in Agricultural Science	1,366	1,392
		9	Repairs, alterations and maintenance of Crown property (including cost of maintaining improvements on closer settlement land vacant or held under purely temporary lease)	700	14
57	2	1	<i>Botanic and Domain Gardens and National Herbarium—</i> Travelling and subsistence	2,200	1,150
		2	Office requisites and equipment, printing and stationery	1,200	1,600
		3	Books and publications, other incidental expenses	4,000	3,600
		4	Postal and telephone expenses	1,000	1,200
		7	Tools, equipment, materials, &c.	6,200	7,050
PUBLIC WORKS.					
58	1	2	Salaries and allowances	3,021,414	3,026,657
		3	Overtime and penalty rates	97,400	92,157
	2	1	Travelling and subsistence	162,000	167,841
		2	Office requisites and equipment, printing and stationery	140,000	139,998
		3	Books and publications, other incidental expenses	44,000	32,747
		4	Postal and telephone expenses	40,000	45,414
	3	1	Public Offices and Buildings—Lighting, heating, cleaning and other maintenance expenses, minor repairs	1,000,000	999,256
		2	Rents and allowances in lieu thereof	690,000	691,128
		3	Municipal and other authorities—Rates and charges	280,000	279,635
		5	Storeyards—Repairs and maintenance, tools, equipment and other expenses	142,000	143,712
		6	Murray levees—Extension, repair and other expenses	9,000	8,932
		7	Other Public Works	26,000	26,092
		8	Government House and grounds, Melbourne—Furniture, fittings, repairs, renewals, fuel, light, &c., including contribution towards domestic services	60,000	58,245
59	1	1	<i>Ports and Harbors—</i> Salaries and allowances	447,258	443,147
		3	Payments in lieu of long service leave	5,306	9,417
	2	1	Travelling and subsistence	31,000	39,056
		3	Books and publications, other incidental expenses	32,000	21,964

APPENDIX F.—continued.

Vote.			Particulars.	Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.
Division.	Sub- Division.	Item.			
PUBLIC WORKS—continued.					
59	2	4	Postal and telephone expenses	7,000	8,980
	3	2	Navigational aids, including lighthouses, rocket houses, keepers' quarters, beacons, buoys, and workshops, and wharf and jetty lights—Equipment and other expenses .. .	50,000	49,984
		3	Marine surveys—Expenses	40,400	40,612
		4	Life saving services—Purchase and maintenance of equipment and other expenses including life-boat and rocket practice allowances	5,000	4,804
LOCAL GOVERNMENT.					
61	2	3	<i>Weights and Measures—</i> Books and publications other incidental expenses	400	1,000
		5	Motor vehicles—Purchase and running expenses	10,000	11,850
		6	Materials and equipment	8,000	5,550
62	2	1	<i>Town and Country Planning Board—</i> Travelling and subsistence	700	804
		4	Postal and telephone expenses	500	499
		5	Motor vehicles—Purchase and running expenses	1,200	1,097
MINES.					
63	2	1	Travelling and subsistence	13,000	15,363
		3	Books and publications, other incidental expenses	19,000	16,637
64	2	1	<i>Explosives—</i> Travelling and subsistence	2,500	2,750
		2	Office requisites and equipment, printing and stationery	1,600	1,350
AGRICULTURE.					
66	1	2	Salaries and allowances	764,736	760,439
		3	Overtime and penalty rates	8,200	9,586
		4	Payments in lieu of long service leave	2,388	5,299
	2	1	Travelling and subsistence	4,300	3,900
		2	Office requisites and equipment, printing and stationery	11,000	11,975
		3	Books and publications, other incidental expenses	2,100	1,800
		4	Postal and telephone expenses	55,000	54,725
67	1	1	<i>Agricultural Education—</i> Salaries and allowances	124,170	124,486
		2	Overtime and penalty rates	1,240	924
	2	1	Travelling and subsistence	720	647
		2	Office requisites and equipment, printing and stationery	800	796
		3	Books and publications, other incidental expenses	800	787
		4	Motor vehicles—Purchase and running expenses	800	890
	3	1	State Agricultural Colleges, Dookie and Longerenong—To supplement the annual appropriation to meet costs and expenses of State Agricultural Colleges, including scholarships and payments in lieu of long service leave	564,000	564,010
		2	College of Horticulture, Burnley—Equipment and running expenses	21,200	21,190
68	1	1	<i>Agriculture—</i> Salaries and allowances	809,330	807,468
		3	Payments in lieu of long service leave	1,340	3,202
	2	1	Travelling and subsistence	41,500	38,346
		2	Office requisites and equipment, printing and stationery	3,400	3,845
		3	Books and publications, other incidental expenses	6,000	7,709
		7	Inspection of Produce	14,000	15,000
	3	1	Research Farm, Werribee—Equipment, livestock and running expenses	101,000	100,431
		2	Research Farm, Rutherglen—Equipment, livestock and running expenses	90,700	88,428
		3	Potato Research Station, Healesville—Equipment, livestock and running expenses	34,000	36,814
		5	Tobacco Research Station, Myrtleford—Equipment, livestock and running expenses in connexion with development of land unsuitable for tobacco growing	2,600	2,596
		6	Mallee Research Station, Walpeup—To supplement Wheat Marketing Fund towards cost of equipment, livestock and running expenses	7,050	8,685
		9	Irrigated pasture experiments	14,700	13,096
69	1	1	<i>Horticulture—</i> Salaries and allowances	856,858	857,792
		2	Overtime and penalty rates	43,800	42,773
		3	Payments in lieu of long service leave	11,064	11,157
	2	1	Travelling and subsistence	49,360	48,580
		5	Motor vehicles—Purchase and running expenses	14,100	14,880
	3	1	Viticultural Station, Rutherglen—Equipment, plants, seeds, &c., and running expenses	20,100	20,092
		3	Research Station, Scoresby—Equipment, plants, seeds, &c., and running expenses	47,700	48,993
		5	Horticultural Experiments—Glenormiston	2,000	1,978
		9	Market News Service—Expenses	5,460	4,197
70	1	1	<i>Livestock—</i> Salaries and allowances	652,976	653,015
		3	Payments in lieu of long service leave	7,106	7,067
	2	1	Travelling and subsistence	45,800	47,253
		2	Office requisites and equipment, printing and stationery	2,600	3,400
		3	Books and publications, other incidental expenses	700	1,000
		5	Motor vehicles—Purchase and running expenses	31,200	28,523
		7	Stores, equipment, materials, vaccines and other payments in connexion with stock disease control	12,000	13,224
		8	Compensation under the <i>Cattle Compensation Act 1958, No. 6216</i>	100,000	98,900
	3	1	S. S. Cameron Laboratory (Animal Research) Werribee—Equipment, livestock and running expenses	106,000	105,947
		2	Dairy Research Station, Ellinbank—Equipment, livestock and running expenses	46,000	45,895
		3	Pastoral Research Station, Hamilton—Equipment, livestock and running expenses	50,400	50,392
		4	Poultry testing and accreditation	6,200	5,482
		5	Livestock experimental and extension work	7,100	6,925
		6	Veterinary scholarships and cadetships	42,400	40,895
		7	Contribution towards cost of research into facial eczema in sheep	6,300	8,864
71	1	1	<i>Dairying—</i> Salaries and allowances	574,706	574,234
		2	Overtime and penalty rates	300	243
		3	Payments in lieu of long service leave	9,948	10,477
	2	1	Travelling and subsistence	93,000	93,096
		3	Books and publications, other incidental expenses	4,000	3,904
	3	1	Gilbert Chandler Institute of Dairy Technology, Werribee—Equipment and running expenses	28,800	31,565
		2	Dairy Technology Scholarships and Cadetships	17,800	15,035
HEALTH.					
72	2	1	<i>Health Administration—</i> Travelling and subsistence	2,400	2,225
		3	Books and publications, other incidental expenses	4,000	3,620
		4	Postal and telephone expenses	3,120	3,300
		6	Medical and dental expenses, &c., at penal establishments	18,000	18,375
	3	1	Medical Board and Foreign Practitioners Qualifications Committee—Fees and other expenses	6,000	5,999
		3	Alcoholism Foundation of Victoria—Grant	2,400	2,401

APPENDIX F.—continued.

Vote.			Particulars.	Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.
Division.	Sub-Division.	Item.			
HEALTH—continued.					
				\$	\$
73	1	1	<i>General Health—</i>		
		2	Salaries and allowances	667,534	666,290
		3	Overtime and penalty rates	2,800	2,763
	2	4	Payments in lieu of long service leave	3,910	5,191
		5	Postal and telephone expenses	7,000	7,650
		7	Motor vehicles—Purchase and running expenses	6,400	7,300
		8	General infectious diseases (including Salk immunization and expenses of promotion)	130,600	127,700
		11	Veneral diseases	19,000	20,000
		13	Poliomyelitis and allied diseases—Maintenance, treatment and after-care of sufferers and training of personnel for such work	35,000	34,350
		15	Proprietary medicines—Expenses (including fees of members of committee)	2,600	3,600
		16	Poisons Information Centre—Expenses	1,920	1,950
74	3	2	Poisons control—Expenses (including fees to members of committee)	12,200	12,170
		3	<i>Tuberculosis—</i>		
		3	Preventive measures concerning tuberculosis—Publicity, bureaux maintenance, diagnostic facilities, research, &c.	672,400	648,400
		3	Tuberculosis wards at hospitals and other institutions—Maintenance and other expenses, including payments to consultants, Australian Red Cross Society, &c., for visiting services and reimbursements of hospital charges in respect of tuberculosis patients in special cases	1,046,000	1,070,000
75	1	1	<i>Maternal and Child Welfare—</i>		
		2	Salaries and allowances	951,668	951,795
		3	Overtime and penalty rates	450	323
	2	4	Books and publications, other incidental expenses	20,000	18,815
		9	Postal and telephone expenses	4,800	5,550
	3	1	Expenses in connexion with infant welfare and pre-school scholarships	72,240	72,675
		2	Subsidies to various authorities towards cost of maintaining kindergartens and pre-school centres	1,420,000	1,414,476
		2	Subsidies towards cost of maintaining creches and day nurseries	145,500	151,024
76	1	1	<i>Mental Hygiene—</i>		
		2	Salaries and allowances	11,039,524	11,016,843
		3	Overtime and penalty rates	1,922,000	1,953,973
		3	Payments in lieu of long service leave	91,200	81,902
	2	1	Travelling and subsistence	94,000	104,000
		2	Office requisites and equipment, printing and stationery	44,000	43,978
		3	Books and publications, other incidental expenses	34,000	36,000
		4	Postal and telephone expenses	90,000	89,508
		5	Motor vehicles—Purchase and running expenses	50,000	50,586
		6	Fuel, light, power and water	740,000	739,996
		9	Committal of patients	13,000	10,932
		10	Expenses of accommodating patients outside mental institutions	215,000	205,000
77	RAILWAY CONSTRUCTION.				
	1	1	Salaries and allowances	76,382	76,495
		2	Overtime and penalty rates	500	388
		3	Payments in lieu of long service leave	8,600	8,599
78	MINISTRY OF TRANSPORT.				
	2	1	Travelling and subsistence	500	477
		5	Motor vehicles—Purchase and running expenses	980	1,003
79	FORESTS.				
	2	5	Motor vehicles—Purchase and running expenses	13,300	13,266
		9	Pay-roll Tax	50,800	50,834
	3	1	Utilization of forests produce	650,000	683,789
		2	State Sawmill—Working expenses	144,000	114,969
		5	Expenses in connexion with property at Kalorama known as "The Mountain Gallery"	16,500	11,742
80	WATER SUPPLY.				
	1	1	Salaries and allowances	4,824,700	4,827,794
		2	Overtime and penalty rules	20,000	31,141
		3	Payments in lieu of long service leave	100,000	85,765
	2	1	Travelling and subsistence	220,000	203,820
		2	Office requisites and equipment, printing and stationery	70,000	86,000
		3	Books and publications, other incidental expenses	76,000	97,000
		4	Postal and telephone expenses	50,000	64,793
		5	Fuel, light, power and water	20,000	20,600
		6	Workers' Compensation Insurance	210,000	183,973
		8	Contour surveys, private services, tapping mains, excavator hire and other recoverable expenses	85,500	86,700
		9	River gaugings, investigations, soil surveys, &c.	58,400	58,725
		10	Central workshops and storeyards	74,200	75,200
		12	Pay-roll tax	250,000	237,289
	3	1	Coliban—materials and other expenses	176,000	180,518
		2	Irrigation, water supply and drainage district—materials and other expenses	1,934,000	1,935,950
		4	Flood protection districts and Carrum Drainage District—materials and other expenses	81,000	80,571
		5	Removal of sand drift	111,200	105,700
		6	River Murray Commission—Contribution in accordance with River Murray Acts	200,000	206,800
		8	Subsidies to Waterworks Trusts, Local Governing Bodies and River Improvement Trusts where interest is in excess of 3 per cent. on loans raised under Act No. 6413	53,000	52,423
		9	Subsidies to Waterworks Trusts and Local Governing Bodies in certain cases where the effective water rate exceeds the equivalent of 17·5c in the dollar, net annual valuation	10,000	6,989
		11	Surveying cadetships	12,404	8,653
81	STATE COAL MINE.				
	3	1	Coal Miners' Accident Relief Fund—Contribution including fines, under Section 74 (2) (a), <i>Coal Mines Act 1958</i> , No. 6221	214	205
		2	Coal Mine Workers' Pensions Fund—Contribution	63,702	65,325
		3	Superannuation charges	16,746	15,132
82	RAILWAYS.				
	1	2	Way and Works Branch	19,550,000	19,633,062
		3	Rolling-stock Branch	30,168,000	29,867,366
		4	Electrical Engineering Branch	4,530,000	4,563,466
		6	Refreshment and Advertising services	4,194,000	4,378,106



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