
REPORT

OF THE

AUDITOR-GENERAL

FOR THE YEAR ENDED

30th JUNE, 1968

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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, 1968.

PART I.—INTRODUCTION.

As directed by Section 47 of the *Audit Act* 1958, I hereby transmit to the Legislative Assembly the Statement prepared by the Treasurer of the receipts and expenditure of the Consolidated Revenue, the Trust Fund and the Loan Fund for the financial year ended 30th June, 1968. In accordance with the provisions of Section 47, I submit my Report explaining the Statement in full and showing particulars of the several matters referred to in sub-sections (1) and (2) of that Section.

The form of the Report follows the arrangement introduced in the 1966-67 Report. After a general review in Part II. of the main features of the State finances, the Report, in Parts III., IV. and V., deals in turn with each of the three headings of the State's public accounts, namely, the Consolidated Revenue Fund, the Loan Fund, and the Trust Fund and Special Accounts. Comments on various individual departments, branches and authorities appear in Part VI. Part VII. contains information on general matters which must be reported to Parliament under specific provisions of the Audit Act or which otherwise warrant inclusion. Supporting statements and appendices complete the Report.

As required by 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, 1968. The relevant figures herein are submitted on the basis that these amounts receive Parliamentary approval 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.

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

PART II.—REVIEW.

Consolidated Revenue.

In 1967-68—

	\$
The Consolidated Revenue brought to account was	601,328,372.63
The Expenditure charged to Revenue was	604,122,005.93
	2,793,633.30
The Deficit for the year was	2,793,633.30

The expenditure for the year, as recorded above, includes the sum of \$4,801,681.45 which had been charged to Treasurer's Advance pending the passing of the Supplementary Estimates for the year.

Again, the railway financial position has had a most important influence on the overall financial result. This is clearly illustrated by the following analysis which shows separately the financial results for 1967-68 for railways and other departments and services respectively :—

	Revenue.	Expenditure.		\$
	\$	\$		\$
Railways	98,786,245.32	110,950,622.86	Deficit	12,164,377.54
Departments and Services—				
Other than Railways	502,542,127.31	493,171,383.07	Surplus	9,370,744.24
	601,328,372.63	604,122,005.93	Deficit	2,793,633.30

The Budget Estimates for 1967-68 provided for a balanced budget. Actual revenue was \$1,678,595 less than the estimate while actual expenditure exceeded the estimate by \$1,115,038. These variations resulted in the deficit of \$2,793,633.

RECEIPTS TO REVENUE.

The major shortages of revenue compared with the Budget Estimates were:—

	\$
Railways	9,113,155
Fees and Charges for Departmental Services	1,042,556
Land Tax	823,744

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

	\$
Commonwealth Special Revenue Assistance—Drought Assistance 1968 ..	4,836,599
Commonwealth Financial Assistance Grants	1,653,518
Probate Duty	892,192
Totalizator	860,654

Receipts to Consolidated Revenue from all sources in 1967-68 amounted to \$601,328,373 which was \$41,733,489 higher than the 1966-67 total of \$559,594,884.

In 1967-68, State revenue from sources other than the Commonwealth totalled \$357,769,326 and revenue from Commonwealth sources amounted to \$243,559,047. Revenue from sources other than the Commonwealth was \$15,940,075 higher than in 1966-67 and constituted 59.5 per cent. of the State's gross revenue compared with 61.09 per cent. in the previous year. Revenue from Commonwealth sources was \$25,793,414 more than the 1966-67 total of \$217,765,633 and represented 40.5 per cent. of gross revenue compared with 38.91 per cent. in 1966-67.

The following summary shows, under broad headings, the major variations in revenue from sources other than the Commonwealth which contributed to the increase of \$15,940,075 in such revenue compared with 1966-67 :—

	\$	\$
Increases—		
State Taxes—		
Stamps Acts	12,940,846	
Probate Duty	2,644,816	
Totalizator	1,476,358	
Sundry Taxes (Net)	606,948	
	<hr/>	17,668,968
Recoveries of Debt Charges .. .. .	..	2,771,105
Fees and Charges for Departmental Services .. .. .	..	1,084,696
Other State Sources .. .. .	..	2,316,177
		<hr/>
		23,840,946
Decreases—		
Railways	6,203,099	
Mallee Land Account—Transfer	1,697,772	
	<hr/>	7,900,871
		<hr/>
		15,940,075

Of the \$12,940,846 increase in revenue under the Stamps Acts, \$12,190,386 came from Other Stamp Duty. The increase in Other Stamp Duty is attributable to several factors which include the operation for a full year in 1967-68 of legislation which applied stamp duty to new sources and which had operated for part only of 1966-67, a revision of rates of stamp duty and the extension of stamp duty to a wider field of transactions in 1967-68, and increases in the volume of business subject to stamp duty. More detailed reference is made on page 15 of this Report.

State revenue from Commonwealth sources over the past two years is shown in the following statement :—

Commonwealth Grant or Contribution.	1966-67.	1967-68.	Increase + Decrease -
	\$	\$	\$
Contribution pursuant to Commonwealth—States Financial Agreement	4,254,318	4,254,318	..
Financial Assistance Grants	208,790,217	228,253,518	19,463,301 +
Special Revenue Assistance—States Grants (Drought Assistance) .. .. .	..	4,836,599	4,836,599 +
Tuberculosis Arrangement	3,220,252	3,181,176	39,076 -
Towards remissions and losses on Soldier Settlement Advance—States Grants (Advanced Education)	92,196	108,349	16,153 +
Advance—States Grants (Advanced Education)	1,302,080	2,788,408	1,486,328 +
Advance—States Grants (Water Resources)	77,300	130,833	53,533 +
Other	29,270	5,846	23,424 -
	<hr/>	<hr/>	
	217,765,633	243,559,047	25,793,414 +

The item "Advance—States Grants (Advanced Education)" shows the amount received from the Commonwealth towards the recurrent expenditure of colleges of advanced education. To facilitate administration, the total amount payable by the Commonwealth and the State in respect of each college is met, in the first place, from State funds, and the Commonwealth contribution, when received, is paid into Consolidated Revenue.

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

EXPENDITURE FROM REVENUE.

Expenditure for the year in respect of departments and services, including railways, was \$604,122,006 which exceeded the 1966-67 total of \$559,594,884 by \$44,527,122.

Railway expenditure (including debt charges) for 1967-68 accounted for \$110,950,623 of the total. Compared with the 1966-67 railway expenditure of \$108,450,767, this showed an increase of \$2,499,856.

Expenditure other than railway expenditure amounted to \$493,171,383 in 1967-68 compared with \$451,144,117 in 1966-67—an increase of \$42,027,266.

Increases in expenditure on education, debt charges and health services again constituted the major part of the rise in total expenditure compared with the previous year. The following statement provides a comparison of expenditure under these headings for the two years :—

	1966-67.	1967-68.	Increase.
	\$	\$	\$
Education	158,407,129	181,437,162	23,030,033
Debt charges	121,680,843	131,199,385	9,518,542
Health Services—Including transfers to Hospitals and Charities and Mental Hospitals Funds ..	73,277,645	76,944,816	3,667,171

Education.—The expenditure shown for education includes relevant expenditure from Revenue charged not only to the Education Vote but also to other Votes and to Special Appropriations. This expenditure is offset to a relatively small extent by revenue collections and recoups of expenditure. These were \$2,801,998 in 1966-67 and \$4,237,298 in 1967-68. Included in these collections are amounts of \$1,105,900 and \$2,346,880, paid to Revenue in 1966-67 and 1967-68 respectively, which represent the portions applicable to the Education Department in these years of the grants received from the Commonwealth for recurrent expenditure of colleges of advanced education.

Detailed comment on the increase in the expenditure on education is made under that heading at page 64.

Debt Charges.—The following statement shows the composition of the debt charges figure of \$131,199,385 referred to above and gives a comparison of 1967-68 with the previous year :—

	1966-67.	1967-68.	Increase.
	\$	\$	\$
Debt charges on Public Debt	102,919,963	110,686,090	7,766,127
Interest and principal—Commonwealth—State Housing Agreement	18,131,541	19,883,956	1,752,415
Interest and principal—Commonwealth—State Soldier Settlement Account	629,339	629,339	..
	<u>121,680,843</u>	<u>131,199,385</u>	<u>9,518,542</u>

Debt charges on the Public Debt (which include interest and sinking fund payments) continue to grow substantially.

Total debt charges, \$131,199,385, were 21·7 per cent. of the total expenditure from Consolidated Revenue which was the same percentage as in 1966-67. However, 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 1967-68 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 1967-68, the net amount available from other sources was \$22,771,414 and the balance which had to be met from taxation and general revenues was \$82,168,094. These figures exclude railway debt charges, \$5,746,582, and interest and principal repayments in respect of advances from the Commonwealth for housing and for special assistance for soldier settlement.

Payments from Consolidated Revenue for interest and repayments of principal in respect of loans made to the State under the Commonwealth-State Housing Agreement are recouped to Revenue from the income of the Housing Commission and from the Home Builders' Account. In 1967-68, payments from Revenue in respect of housing loans amounted to \$19,883,956. Payments from Revenue for interest and repayments of principal on special loans from the Commonwealth for soldier settlement are recouped to Revenue from the income of the Rural Finance and Settlement Commission. In 1967-68, these payments totalled \$629,339.

Health Services.—The following statement shows what may be considered to be the principal sources of finance for the expenditure from Consolidated Revenue on health services in 1966-67 and 1967-68 :—

<i>From—</i>	1966-67.		1967-68.	
	\$	\$	\$	\$
Commission—Totalizator Investments	10,184,296		11,660,654	
Tattersall Duty	6,409,811		6,085,270	
Commonwealth Recoup—Tuberculosis Arrangement	3,220,252		3,181,176	
Mental Hygiene Branch—Various Receipts ..	1,905,305		2,155,213	
Health Department—Miscellaneous Receipts ..	265,415		425,032	
	<u>21,985,079</u>		<u>23,507,345</u>	
<i>From the general revenues of the State—</i>				
Net Cost to Consolidated Revenue—				
Health Services (other than Mental Hygiene) ..	9,426,071		10,038,851	
Mental Hygiene Branch	17,582,601		18,675,620	
Transfers to Hospitals and Charities Fund—				
Special Appropriation (other than Totalizator and Tattersall receipts)	1,600,000		1,600,000	
Annual vote	22,683,894		23,123,000	
	<u>51,292,566</u>		<u>53,437,471</u>	
	<u>73,277,645</u>		<u>76,944,816</u>	

Loan Fund.

In 1967-68, expenditure from the Loan Fund on works and associated purposes amounted to \$144,383,211 compared with \$137,561,502 in 1966-67—an increase of \$6,821,709. In addition, in each of these years, an amount of \$4,000,000 was applied from the Loan Fund to the funding of Consolidated Revenue deficits making the total loan expenditure \$148,383,211 in 1967-68 and \$141,561,502 in 1966-67. Loan moneys available to meet this expenditure were \$148,647,683 in 1967-68 and \$142,153,286 in 1966-67. The following statement shows under broad headings the major allocations in these two years of the moneys available :—

	1966-67.	Per cent. of available funds.	1967-68.	Per cent. of available funds.
	\$		\$	
Social Expenditure—				
including expenditure on Education, Health, &c. ..	60,938,306	42·87	68,094,240	45·81
Services associated with Primary Production—				
including Agriculture, Forests, Country Water Supply, &c. ..	27,193,025	19·13	29,373,898	19·76
Railways	16,466,489	11·58	16,614,091	11·18
Advances to State Electricity Commission	15,500,000	10·90	14,500,000	9·75

This statement does not include loan expenditure under the Commonwealth-State Housing Agreement which, in 1966-67, amounted to \$32,959,761 and, in 1967-68, to \$33,765,534.

At 30th June, 1968, the State's net loan liability on account of its ordinary debt was \$1,972,987,630 which showed an increase of \$122,490,876 over the liability at 30th June, 1967, of \$1,850,496,754.

In addition, the State's liability at 30th June, 1968, to the Commonwealth under the Commonwealth-State Housing Agreement was \$451,748,462 and for special assistance loans for soldier settlement, \$13,299,926. The liabilities on account of these advances at 30th June, 1967, were \$422,064,133 and \$13,425,798 respectively.

Trust Fund.

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

Among these accounts are suspense accounts, many of which are for the recording of clearing entries for book-keeping purposes. Excluding the debits and credits to those suspense accounts used for clearing entries of this kind, the debits and credits to the accounts within the Trust Fund amounted to \$402,722,840 and \$410,604,218 respectively. The comparable figures in 1966-67 were \$381,378,278 and \$390,114,603.

Most 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 debits and credits in respect of these moneys in the past two years are summarized in the following statement under broad classifications related to the purpose of the expenditure :—

Account or Fund.	1966-67.			1967-68.		
	Total Credits (Including Balance Forward).	Total Debits.	Balance Forward.	Total Credits (Including Balance Forward).	Total Debits.	Balance Forward.
	\$	\$	\$	\$	\$	\$
EDUCATION :						
Commonwealth Scholarships Scheme	4,463,438	4,317,461	145,977	1,651,336	1,651,336	..
La Trobe University (Commonwealth Subsidy)	2,283,160	2,283,160	..	2,832,190	2,832,190	..
Melbourne University (Commonwealth Subsidy)	7,538,059	7,538,059	..	8,204,485	8,204,485	..
Monash University (Commonwealth Subsidy)	4,752,328	4,752,328	..	6,337,888	6,337,888	..
State Grants (Advanced Education)	911,000	706,354	204,646	2,881,346	2,549,682	331,664
State Grants (Science Laboratories)	3,273,208	2,916,027	357,181	3,910,381	3,322,615	587,766
State Grants (Teachers' Colleges) ..				500,000	50,389	449,611
State Grants (Technical Training)	3,050,000	2,664,624	385,376	5,476,676	4,387,430	1,089,246
Other	480,931	474,988	5,943	507,137	500,201	6,936
	26,752,124	25,653,001	1,099,123	32,301,439	29,836,216	2,465,223
HEALTH :						
Commonwealth Pharmaceutical Benefits	5,020,799	3,761,044	1,259,755	5,363,140	4,215,977	1,147,163
Commonwealth-State Free Milk Scheme	2,532,048	2,491,896	40,152	2,667,602	2,537,518	130,084
Commonwealth-State Grants (Mental Institutions)	1,192,374	1,192,374	..	1,381,404	1,381,404	..
Other	73,866	69,199	4,667	64,570	62,231	2,339
	8,819,087	7,514,513	1,304,574	9,476,716	8,197,130	1,279,586
HOUSING :						
Commonwealth-State Housing ..	23,353,761	23,353,761	..	23,865,534	23,865,534	..
Home Builders	19,315,656*	17,991,194	1,324,462	20,605,872*	20,562,897	42,975
	42,669,417	41,344,955	1,324,462	44,471,406	44,428,431	42,975
PRIMARY PRODUCTION :						
Commonwealth Poultry Industry Assistance	659,291	659,291	..	1,306,201	1,306,201	..
Rural Rehabilitation	4,199,166	..	4,199,166	4,304,463	..	4,304,463
Other	1,587,892	1,028,359	559,533	2,014,707	1,434,745	579,962
	6,446,349	1,687,650	4,758,699	7,625,371	2,740,946	4,884,425
OTHER WORKS :						
Commonwealth Aid Roads (Nos. 1-3 Accounts)	29,498,191	29,467,034	31,157	31,317,353	31,302,790	14,563
Other	360,167	358,110	2,057	743,692	693,912	49,780
	29,858,358	29,825,144	33,214	32,061,045	31,996,702	64,343
MISCELLANEOUS :						
Petroleum Products Subsidy ..	1,164,960	1,091,806	73,154	1,173,154	1,086,935	86,219
Commonwealth Grant—Drought Relief 1967 .. .. .	..	..	..	8,358,810	8,358,810	..
Other	38,798	30,774	8,024	44,737	36,939	7,798
	1,203,758	1,122,580	81,178	9,576,701	9,482,684	94,017
Total	115,749,093	107,147,843	8,601,250	135,512,678	126,682,109	8,830,569

* Includes repayment of advances and interest thereon 1966-67, \$8,337,688 ; 1967-68, \$9,381,410.

The accounts included in the above summary under " State Grants (Advanced Education) " record transactions in relation to Commonwealth moneys received for building projects and equipment of a capital nature in respect of colleges of advanced education. As stated earlier in this Review, Commonwealth grants for recurrent expenditure of these colleges do not pass through the trust accounts but are paid to Consolidated Revenue.

The items in the summary, State Grants (Teachers' Colleges) and Commonwealth Grant—Drought Relief 1967, represent new accounts.

The State Grants (Teachers' Colleges) Trust Account was established to receive Commonwealth grants for approved building projects in connexion with teachers' colleges conducted or proposed to be conducted by the State. The Commonwealth Grant—Drought Relief 1967 Trust Account was opened to receive moneys paid to the State by the Commonwealth for drought relief and to apply these moneys to approved drought relief purposes. This Account will also record, in respect of moneys which are subject to

repayment under the terms of the drought relief arrangements between the Commonwealth and the State, the receipt of repayments of advances and the amounts paid to the Commonwealth as repayments. The total credits of \$8,358,810, shown for this Account consist of \$8,000,000 advanced by the Commonwealth and \$358,810 advanced from the Public Account pending recoup from the Commonwealth.

Several new Trust 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 26 of this Report.

Consolidated Revenue Deficit Account.

At 30th June, 1967, the debit balance in this Account was \$8,032,418. In 1967-68, the Account was credited with \$4,000,000 applied from the Loan Fund towards the funding of deficits. The debit balance in the Account at 30th June, 1968, was thus \$4,032,418. This balance represented the amount of the net accumulated revenue deficit to 30th June, 1967, still standing as a charge against the Public Account.

Treasury Balances.

The following statement summarizes transactions relating to the Public Account during the year :—

	\$	\$
Balance represented by Cash and Investments at 1st July, 1967—		
Cash at credit of Public Account.. ..	66,644,057	
Investments of the Trust Fund	48,782,629	
	115,426,686	Cr.
Consolidated Revenue Fund		
Receipts	601,328,373	
Expenditure	604,122,006	
	2,793,633	Dr.
Loan Fund		
Net receipts from raisings and repayments.. ..	148,055,899	
Expenditure	148,383,211	
	327,312	Dr.
Trust Fund		
Credits	611,092,957	
Debits	604,056,771	
	7,036,186	Cr.
Advances from Public Account		
Balance 1st July, 1967	11,878,235	
Balance 30th June, 1968	7,932,832	
	3,945,403	Cr.
Balance represented by Cash and Investments at 30th June, 1968—		
Cash at credit of Public Account	67,049,180	
Investments of the Trust Fund	56,238,150	
	123,287,330	Cr.

As at 30th June, 1968, the balances at credit of Loan Fund and Trust Fund were \$264,472 and \$133,749,323 respectively. The sum of these balances, \$134,013,795, was accounted for as follows :—

	\$	\$
Cash at credit of Public Account	67,049,180	
Investments held on behalf of Trust Fund	56,238,150	
	123,287,330	
Various advances—details of which are included in the summary on page 5 of the Treasurer's Finance Statement :—		
Consolidated Revenue Deficit Account	4,032,418	
Other	3,900,414	
	7,932,832	
Deficit for 1967-68 temporarily financed from Public Account		2,793,633
		134,013,795

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

PART III.—CONSOLIDATED REVENUE FUND.

Revenue.

A summary of the Treasurer's statement of revenue appearing on pages 11-19 of the finance statement is given in the following tabular comparison for the purpose of showing the significant variations which provided the overall increase of \$41,733,489 for the year.

	1966-67.	1967-68.	Increase + Decrease -
	\$	\$	\$
Commonwealth Payments to the State			
Financial Assistance Grants	208,790,217	228,253,518	19,463,301+
Drought Assistance Grant .. .. .	..	4,836,599	4,836,599+
Contribution for Interest—Financial Agreement	4,254,318	4,254,318	..
Other Contributions and Recoups	4,721,098	6,214,612	1,493,514+
	<u>217,765,633</u>	<u>243,559,047</u>	<u>25,793,414+</u>
State Taxes			
Direct	75,630,899	79,384,112	3,753,213+
Stamps Acts	48,573,523	61,514,369	12,940,846+
Licensing Fund Payment	8,563,319	9,275,780	712,461+
Other	2,599,486	2,861,934	262,448+
	<u>135,367,227</u>	<u>153,036,195</u>	<u>17,668,968+</u>
Recoveries of Debt Charges			
Interest and Exchange	33,317,091	35,725,491	2,408,400+
Sinking Fund—Contributions and Special Payments	926,820	958,679	31,859+
Loan Conversion Expenses	13,641	9,749	3,892-
Repayments	3,773,816	4,108,554	334,738+
	<u>38,031,368</u>	<u>40,802,473</u>	<u>2,771,105+</u>
Land Revenue			
Leases, Licences, Miners' Rights, etc.	2,458,775	2,690,812	232,037+
Brown Coal Royalties	526,675	549,574	22,899+
	<u>2,985,450</u>	<u>3,240,386</u>	<u>254,936+</u>
Harbor Revenue			
Contribution—Melbourne Harbor Trust	1,306,699	1,380,069	73,370+
Westernport—Wharfage, Tonnage, Towage, etc.	1,006,335	1,057,028	50,693+
Other	805,255	864,566	59,311+
	<u>3,118,289</u>	<u>3,301,663</u>	<u>183,374+</u>
Fees and Charges for Departmental Services			
Fees—Registrar General, Registrar of Titles, Government Statist, etc.	4,027,522	4,514,605	487,083+
Departmental Services—			
Public Works Department	3,874,429	4,095,172	220,743+
Government Printer	3,140,811	2,949,923	190,888-
Mental Hygiene	1,867,829	2,135,964	268,135+
Motor Registration Branch	1,613,448	1,830,008	216,560+
Agriculture Department	1,598,032	1,296,140	301,892-
Education Department	1,191,460	1,277,418	85,958+
Police	1,100,103	1,144,322	44,219+
Insurance Offices	912,176	1,079,382	167,206+
Social Welfare	502,275	585,129	82,854+
Other	1,797,817	1,802,535	4,718+
	<u>21,625,902</u>	<u>22,710,598</u>	<u>1,084,696+</u>
Business Undertakings			
State Rivers and Water Supply Commission	11,890,653	12,230,452	339,799+
Forests Commission	5,772,268	5,709,806	62,462-
State Coal Mines	368,887	257,089	111,798-
	<u>18,031,808</u>	<u>18,197,347</u>	<u>165,539+</u>

	1966-67.	1967-68.	Increase + Decrease -
	\$	\$	\$
Other Revenue			
Statutory Corporations—Contributions	5,730,000	6,300,000	570,000+
Fines—Courts and Other Sources	3,727,476	4,283,433	555,957+
Interest on Public Account	2,473,041	2,570,076	97,035+
State Accident Insurance Office—Portion of Surplus	723,124	1,200,000	476,876+
Rents and Hirings	960,839	1,146,566	185,727+
Public Trustee—Surplus Interest	361,773	407,259	45,486+
Gas and Fuel Corporation—Dividends Preference Shares	283,381	285,916	2,535+
Mallee Land Account—Transfer	1,697,772	..	1,697,772—
Sundry	1,722,457	1,501,169	221,288—
	<u>17,679,863</u>	<u>17,694,419</u>	<u>14,556+</u>
Railways	104,989,344	98,786,245	6,203,099—
Total Revenue	<u>559,594,884</u>	<u>601,328,373</u>	<u>41,733,489+</u>

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 financial assistance grants to the States are calculated on a basis determined by the Commonwealth's *States Grants Act* 1965-67. This Act was amended by the *States Grants Act* (No. 2) 1967 with the effect that the basic figure for the calculation of the 1967-68 grant to Victoria became \$208,790,217. This basic figure was ascertained by adding to the 1966-67 grant calculated in accordance with the statutory formula (\$207,527,292) the 1966-67 additional grant made under Section 5 of the *States Grants Act* 1967 (\$1,262,925).

The grant to Victoria for 1967-68 in accordance with the statutory formula amounted to \$228,253,518 and was calculated in the following way:—

The basic figure, \$208,790,217, was increased in proportion to the increase, estimated by the Commonwealth Statistician, in the State's population during the year ended 31st December, 1967. As the next step, the resultant figure was increased by the percentage increase, from 31st March, 1967, to 31st March, 1968, in the average wages per person employed throughout Australia. The third step was to increase the figure arrived at in the second step by 1.2 per cent. (the "betterment" factor).

The basic figure was, at the completion of the first step, increased by \$3,454,017; at the completion of the second step, by an additional amount of \$13,302,721; and at the completion of the third step, by a further \$2,706,563. On the combined result of the three steps, Victoria's grant for 1967-68 was \$19,463,301 higher than that for the previous year.

In 1967-68, Victoria also received from the Commonwealth further grants totalling \$4,836,599 by way of financial assistance in relation to loss of revenue due to the effects of drought. Of this amount, \$3,836,599 was received by Victoria in accordance with Section 3 (1) of the *States Grants (Drought Assistance) Act* 1968 under which an amount of \$13,000,000 was made payable to the States of New South Wales, Victoria, Queensland and South Australia in proportion to the amounts respectively payable to them during the year under the statutory formula in respect of financial assistance grants. The balance, \$1,000,000, was received under Section 3 (2) of the same Act, which provided for the payment to Victoria of this amount in addition to its proportion of the \$13,000,000.

Commonwealth grants to Victoria in the nature of financial assistance grants from and inclusive of 1963-64 are shown hereunder:—

Year.		Grant. \$
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
1966-67	Financial Assistance Grant	207,527,292
	Additional Assistance Grant	1,262,925
1967-68	Financial Assistance Grant	228,253,518
	Special Revenue Assistance	4,836,599

COMMONWEALTH FINANCIAL ASSISTANCE IN CONNEXION WITH WATER RESOURCES.

The Commonwealth's *States Grants (Water Resources Measurement) Act 1967* provides that, where a State furnishes to the Treasurer of the Commonwealth such information as is required by him with respect to the amount of approved expenditure during each year over the period 1967-68 to 1969-70 (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.

The grants will be finally determined on the basis of the appropriate information furnished by the State, from details supplied by the several State authorities concerned including the State Rivers and Water Supply Commission and the Mines Department. Such basic information is subject to my verification and certification in accordance with the provisions of Section 6 of the Act.

During 1967-68, Victoria received from the Commonwealth an advance of \$130,833 pending final determination of the grants due to it pursuant to the provisions of the legislation outlined above. This advance was paid to the credit of Consolidated Revenue.

STATE TAXES.

Classifications under Revenue, 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 Duty on Bookmakers' Certificates, &c., Turnover Tax on Bookmakers' Transactions, the sale of Betting Tickets, Duty on Insurance Business and Other Stamp Duty. 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 three years is compared hereunder :—

Taxation.	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Direct	69,411,392	75,630,899	79,384,112
Stamps Acts	44,237,488	48,573,523	61,514,369
Registrations, &c.	686,816	727,624	956,901
Licences	9,464,191	10,435,181	11,180,813
Total Taxation	123,799,887	135,367,227	153,036,195

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

Direct Taxation.

Probate Duty.—Collections of Probate Duty for the past three years were :—1965-66, \$32,002,537 ; 1966-67, \$34,997,376 ; and 1967-68, \$37,642,192. The increase in 1967-68 over the previous year was \$2,644,816.

Duty for 1967-68 amounting to \$36,874,803 was collected by the Commissioner of Probate Duties and \$767,389 by the Public Trustee. The aggregate value of new estates assessed in 1967-68 remained constant at \$261 million. According to Taxation Office records, payments to revenue in advance of the issue of an assessment amounted to \$3,071,409 whereas in 1966-67 the amount was \$1,622,842.

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

Duty assessed but uncollected—

As at 30.6.66—\$2,927,225 ; collected—\$2,724,350 in 1966–67.

As at 30.6.67—\$3,381,015 ; collected—\$2,987,299 in 1967–68.

As at 30.6.68—\$3,450,174 ; to be collected in 1968–69.

Land Tax.—Receipts from Land Tax for the past three years were :—1965–66, \$19,880,730 ; 1966–67, \$21,132,065 ; and 1967–68, \$20,976,256. Receipts for 1967–68 showed a decrease of \$155,809 compared with 1966–67.

The rates of tax fixed by the *Land Tax (Rates) Act* 1967 differed little from those applicable in the previous year.

Motor Car Third-party Insurance.—In conformity with the requirements of the *Motor Car (Insurance Surcharge) Act* 1959, 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 1967–68 was \$2,496,945, compared with \$2,387,666 in the previous year.

Totalizator.—Part V. of the *Racing Act* 1958 requires that a commission, being a percentage of investments, be deducted from all totalizator pools. In 1967–68, the commission was thirteen per cent.

In accordance with the legislation, the commission is divided as follows :—

1. On-course totalizators—

(i) at metropolitan meetings—

(a) to Consolidated Revenue—in respect of doubles and quinella totalizators, five thirteenths ; and in respect of win and place totalizators, eight thirteenths ;

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

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

(a) to Consolidated Revenue—three thirteenths ;

(b) to the racing club concerned—ten thirteenths.

2. Off-course totalizators—

(i) Commission derived from Victorian investments—

(a) to Consolidated Revenue—nineteen fifty-seconds ;

(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 fifty-second ; and

(c) to the Totalizator Agency Board to be expended in terms of the *Racing Act* 1958—the remaining eight thirteenths.

(ii) Commission derived from Australian Capital Territory investments—†

(a) to Consolidated Revenue—two thirteenths ;

(b) to the Australian Capital Territory Totalizator Agency Board (Actab)— the remaining eleven thirteenths.

The total credit to Consolidated Revenue is specially appropriated to the Hospitals and Charities Fund which is required to meet the cost of administration of totalizator inspection, &c. In 1967–68, the sum of \$11,660,654 was received into Consolidated Revenue and an equivalent amount paid out of Revenue to the Hospitals and Charities Fund. The costs of administration charged to the Fund were \$44,625.

* 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 five thirteenths.

† Does not apply in 1967–68.

A summary of receipts into Consolidated Revenue for the past two years is set out hereunder :—

	1966-67.				1967-68.			
	Horse Races.	Trotting Races.	Dog Races.	Total.	Horse Races.	Trotting Races.	Dog Races.	Total.
	\$	\$	\$	\$	\$	\$	\$	\$
PERCENTAGES—								
<i>Win and Place—</i>								
Metropolitan ..	2,254,754	433,081	221,167	..	2,397,383	422,322	299,814	..
Country ..	905,364	321,119	3,827	..	1,033,557	367,155	6,238	..
Interstate ..	491,680	..	..	..	545,055	..	..	..
<i>Doubles and Quinella—</i>								
Metropolitan ..	536,645	133,553	107,756	..	554,867	145,171	124,063	..
Country ..	51,098	12,367	7,076	..	56,702	16,216	11,778	..
<i>Daily and Feature Doubles</i>	2,255,112	626,816	296,730	..	2,642,107	699,527	484,692	..
	6,494,653	1,526,936	636,556	8,658,145	7,229,671	1,650,391	926,585	9,806,647
FRACTIONS								
<i>Win and Place—</i>								
Metropolitan ..	536,222	112,792	50,811	..	709,344	110,877	73,026	..
Country ..	317,015	114,609	2,062	..	353,338	137,823	2,799	..
Interstate ..	127,758	..	..	..	163,950	..	..	..
<i>Doubles and Quinella</i>								
Metropolitan ..	21,899	8,213	9,953	..	29,664	9,213	10,955	..
Country ..	4,993	1,586	878	..	7,734	5,313	1,616	..
<i>Daily and Feature Doubles</i>	76,775	32,690	14,268	..	85,656	39,804	18,604	..
	1,084,662	269,890	77,972	1,432,524	1,349,686	303,030	107,000	1,759,716
DIVIDENDS UNCLAIMED ..	..	..	..	93,627	..	..	..	94,291
CREDITS TO CONSOLIDATED REVENUE ..	..	..	..	10,184,296*	..	..	..	11,660,654*

* On-course—1966-67, \$3,495,592 ; 1967-68, \$3,862,313.

Off-course—1966-67, \$6,667,547 ; 1967-68, \$7,798,245.

Actab—1966-67, \$21,157 ; 1967-68, \$96 (arrears from 1966-67).

In addition, \$402,329 was credited in 1967-68 to the Totalizator Agency Board Trust Account for distribution to racing clubs in terms of the *Racing (Totalizators Extension) Act* 1960.

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.

Total subscriptions to consultations in each of the last three years were—1965-66, \$20,100,000 ; 1966-67, \$20,300,000 ; and 1967-68, \$19,420,000.

Duty equivalent to 31 per cent. of the total amount of subscriptions to each consultation is payable to the Treasurer within seven days after the drawing of the consultation. Duty amounting to \$6,085,270 was paid into Consolidated Revenue in 1967-68, compared with \$6,294,431 in 1965-66 and \$6,409,811 in 1966-67. Under the provisions of the Act, an amount equivalent to the duty paid is appropriated from Consolidated Revenue and apportioned between the Hospitals and Charities Fund and the Mental Hospitals Fund. In 1967-68, the Funds were credited with \$5,585,270 and \$500,000 respectively.

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 \$138,372 compared with \$140,995 in the previous year.

As at 30th June, 1968, the Tasmanian share of duty for consultations drawn late in May and in June amounted to \$11,130. 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 existed with the Government of New Zealand from 1954 to 30th June, 1967. A new agreement has been entered into, to continue for three years from 1st July, 1967. It provides that the New Zealand Government, instead of receiving, as formerly, an amount equal to one half of the duty on New Zealand subscriptions, is to receive an amount equal to two-thirds of that duty.

Payments to the Government of New Zealand during the year amounted to \$261,638 compared with \$225,915 in 1966-67. As at 30th June, 1968, an amount of \$55,277, equivalent to \$55,521 (N.Z.) was due to the Government of New Zealand. This sum represented the amount due in respect of the last quarter of the financial year.

The shares of the Victorian, New Zealand and Tasmanian Governments of the duty payable on consultations drawn from 1st July, 1954, to 30th June, 1968, were respectively, \$79,226,022, \$5,179,947 and \$1,091,995.

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 during the period 1954–55 to 1964–65 (inclusive) amounted to \$197,972. 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.

Stamps Acts.

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

	1965–66.	1966–67.	1967–68.
	\$	\$	\$
Other Stamp Duty	33,313,411	36,617,249	48,807,635
Duty on Insurance Business	7,697,482	8,585,753	9,270,268
Turnover Tax on Bookmakers' Transactions	2,920,754	3,058,140	3,131,800
Betting Tickets	213,654	219,394	212,378
Bookmakers' Certificates, etc.	92,187	92,987	92,288
Total	44,237,488	48,573,523	61,514,369

As indicated in the preceding statement, revenue from Other Stamp Duty was in excess of that for the previous year by \$12,190,386.

Legislation which had the effect of varying revenue from Other Stamp Duty is discussed hereunder.

(i) The *Stamps Act* 1966, as amended by the *Stamps (Amendment) Act* 1967, which imposed duty on certain credit business and rental business and reduced the rate of duty on instalment purchase agreements, operated for a full year as compared with five months in the previous year.

(ii) The *Marketable Securities Act* 1966, was proclaimed with effect from 1st July, 1967, and made further provision with respect to the payment of duty on sales and purchases of marketable securities. Duty now has to be paid on weekly statements and not by adhesive stamps.

(iii) The *Stamps Act* 1967, Sections 1 and 4 to 10 of which operated from 1st December, 1967, and Sections 2 and 3 from 1st February, 1968, varied receipt duty generally and the application of duty and imposed such duty on the receipt of salaries and wages with certain exceptions.

Major variations in receipt of duty, under the heading Other Stamp Duty, according to the statistical records of the Stamps Office—which are kept on a gross basis but which, overall, have been reconciled with the relevant Treasury records—were as follows :—

	\$
(i) duty on real estate dealings	(increase) 1,337,842
(ii) duty on brokers' statements	(increase) 3,096,426
(iii) duty on credit and rental business (registered persons) ..	(increase) 2,493,780
(iv) bulk receipt duty	(increase) 5,489,492
(v) duty on applications for registration and notices of acquisition of motor cars	(increase) 515,833
(vi) adhesive duty stamps	(decrease) 559,001
(vii) duty on mortgages	(decrease) 369,582

Licences.

Licensing Fund Payment.—The revenue of the Licensing Fund consists mainly of fees charged to licensed victuallers (\$7,210,910), spirit merchants and grocers (\$1,820,091), and clubs (\$399,956).

In accordance with the provisions of the *Licensing Act* 1958, the surplus of receipts over payments for 1967–68 was transferred to Consolidated Revenue.

A comparative statement of receipts and payments of the Licensing Fund covering the period 1st July, 1965, to 30th June, 1968, is given hereunder :—

	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Balance 1st July	661,471	661,471	661,471
Receipts—			
Licences and Club Certificates	7,908,727	8,845,324	9,580,089
Permits	122,159	114,432	128,704
Fees and Fines	65,661	64,586	76,251
Interest on Investments	20,104	20,104	20,104
Miscellaneous	1,814	1,390	2,218
Total Receipts for the Year	8,118,465	9,045,836	9,807,366
Payments—			
Salaries and other Administrative Expenses	174,281	186,696	211,712
Cost of policing Act	132,402	135,517	151,470
Payments to Municipalities.. .. .	111,416	111,104	110,704
Liquor Referendum	1,243	..	..
Payment to Police Superannuation Fund	46,000	46,000	46,000
Compensation	5,110	3,200	11,700
Total Payments for the Year	470,452	482,517	531,586
Transfer to Consolidated Revenue	7,648,013	8,563,319	9,275,780
Balance 30th June	661,471	661,471	661,471
Percentage of Revenue Transfer to Total Receipts	94.2	94.7	94.6

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 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, \$117,412, net collections credited to Consolidated Revenue on this account, in 1967-68, amounted to \$1,263,040.

COMPARISON WITH BUDGET.

The following statement shows the variations of Revenue Receipts from the Budget Estimate in 1967-68.

	Budget Estimate.	Revenue.	Excess + Deficiency—
PART I.	\$	\$	\$
Taxation—			
Probate Duty	36,750,000	37,642,192	892,192+
Land Tax	21,800,000	20,976,256	823,744—
Entertainments Tax	525,000	522,796	2,204—
Motor Car Third-party Insurance—Surcharge	2,550,000	2,496,945	53,055—
Totalizator	10,800,000	11,660,654	860,654+
Tattersall Duty	6,400,000	6,085,270	314,730—
Betting and Bookmakers' Turnover Tax	3,514,000	3,436,466	77,534—
Duty on Insurance Business	9,500,000	9,270,268	229,732—
Other Stamp Duty	48,600,000	48,807,635	207,635+
Registration Fees—Factories, Shops, &c.	750,000	956,901	206,901+
Licensing Fund Payment	9,150,000	9,275,780	125,780+
Auctioneers' and other Licences	1,963,600	1,905,032	58,568—
	152,302,600	153,036,195	733,595+

Comparison with Budget—continued.

	Budget Estimate.	Revenue.	Excess + Deficiency —
	\$	\$	\$
PART I.— <i>continued.</i>			
Recoveries of Debt Charges—			
Country Roads Board	2,132,750	2,113,659	19,091—
Home Builders' Account	3,602,000	3,743,760	141,760+
Housing Commission	16,221,000	16,261,105	40,105+
Rural Finance and Settlement Commission	1,240,000	1,229,793	10,207—
Soldier Settlement	1,120,000	947,391	172,609—
State Electricity Commission	12,890,000	13,056,557	166,557+
Water and Sewerage Authorities	1,850,000	1,764,427	85,573—
Other	1,776,800	1,685,781	91,019—
	40,832,550	40,802,473	30,077—
Land Revenue—			
Lands	2,387,000	2,447,851	60,851+
Mining	182,500	242,961	60,461+
Royalties—Brown Coal	545,000	549,574	4,574+
	3,114,500	3,240,386	125,886+
Harbor Revenue—			
Harbor Trust Contribution	1,300,000	1,380,069	80,069+
Westernport	1,096,000	1,057,028	38,972—
Other	923,000	864,566	58,434—
	3,319,000	3,301,663	17,337—
Fees and Charges for Departmental Services—			
Fees—Titles Office, Registrar-General, &c.	4,469,000	4,514,605	45,605+
Recoups—Departmental Services	19,290,000	18,201,839	1,088,161—
	23,759,000	22,716,444	1,042,556—
Business Undertakings—			
Forests Commission	5,841,000	5,709,806	131,194—
State Rivers and Water Supply Commission	11,900,000	12,230,452	330,452+
State Coal Mine	277,000	257,089	19,911—
	18,018,000	18,197,347	179,347+
Miscellaneous Receipts—			
Fines	4,200,000	4,283,433	83,433+
Interest on Public Account	2,300,000	2,570,076	270,076+
Rents and Hirings	1,125,000	1,146,566	21,566+
Commonwealth Advances—Water Resources	79,600	130,833	51,233+
Advanced Education	2,794,000	2,788,408	5,592—
Statutory Corporation Payments	6,250,000	6,300,000	50,000+
Tuberculosis Arrangement—Commonwealth Payment	3,260,000	3,181,176	78,824—
State Accident Insurance—Appropriation of Portion	750,000	1,200,000	450,000+
of Surplus	2,149,000	2,302,693	153,693+
Other			
	22,907,600	23,903,185	995,585+
Commonwealth Payments to State—			
Commonwealth and States Financial Agreement	4,254,318	4,254,318	..
States Grants Acts	226,600,000	233,090,117	6,490,117+
	230,854,318	237,344,435	6,490,117+
Total Revenue Part I.	495,107,568	502,542,128	7,434,560+
PART II.			
Railways	107,899,400	98,786,245	9,113,155—
Total Revenue Part II.	107,899,400	98,786,245	9,113,155—
Total Revenue	603,006,968	601,328,373	1,678,595—

Expenditure.

The expenditure charged against revenue was more than the outlay for 1966-67 by the amount of \$44,527,122. A comparison of the figures for the two years separated into annual appropriation and special appropriation is given in the following statement :—

		ANNUAL APPROPRIATION.			
		1966-67.	1967-68.		
		\$	\$		
<i>Part I.—</i>					
Education		139,330,099	158,178,333	Increase	18,848,234
Health		54,146,378	56,629,067	,,	2,482,689
Chief Secretary		36,501,815	40,054,741	,,	3,552,926
Treasurer		25,089,466	29,093,478	,,	4,004,012
Water Supply		11,251,764	11,965,828	,,	714,064
Public Works		7,720,798	8,409,766	,,	688,968
Agriculture		7,209,165	7,407,723	,,	198,558
Attorney-General		7,052,160	7,390,012	,,	337,852
Lands and Survey		3,547,289	3,755,139	,,	207,850
Forests		3,304,400	3,480,651	,,	176,251
Premier		2,757,743	2,897,145	,,	139,402
Labour and Industry		1,210,207	1,314,730	,,	104,523
Mines		1,084,935	1,111,704	,,	26,769
Local Government		618,376	670,449	,,	52,073
Parliament		505,207	579,213	,,	74,006
Other		155,892	168,982	,,	13,090
State Coal Mine		771,552	651,397	Decrease	120,155
		302,257,246	333,758,358	Increase	31,501,112
<i>Part II.—</i>					
Railways		98,044,599	99,484,491	Increase	1,439,892
		98,044,599	99,484,491	,,	1,439,892
Total Annual Appropriation		400,301,845	433,242,849	Increase	32,941,004
SPECIAL APPROPRIATION.					
<i>Part I.—</i>					
Interest including Exchange*		100,251,459	108,447,786	Increase	8,196,327
National Debt Sinking Fund		17,601,816	18,620,278	,,	1,018,462
Repayment of Advances—Commonwealth—State Housing and Soldier Settlement		3,766,543	4,069,267	,,	302,724
Loan Expenses		61,025	62,054	,,	1,029
		121,680,843	131,199,385	,,	9,518,542
Less Charged Railways (Part II.)		4,891,191	5,746,582	,,	855,391
		116,789,652	125,452,803	,,	8,663,151
Hospitals and Charities Fund (Totalizator)		10,184,296	11,660,654	,,	1,476,358
Pensions		6,971,026	7,870,306	,,	899,280
Hospitals and Charities and Mental Hospitals Funds (Tattersall)		6,409,811	6,085,270	Decrease	324,541
Endowments and Grants		4,993,458	5,013,741	Increase	20,283
Other		3,538,628	3,330,251	Decrease	208,377
		148,886,871	159,413,025	Increase	10,526,154
<i>Part II.—</i>					
Railways—Debt Charges		4,891,191	5,746,582	Increase	855,391
Pensions		5,073,277	5,272,600	,,	199,323
Other		441,700	446,950	,,	5,250
		10,406,168	11,466,132	,,	1,059,964
Total Special Appropriation		159,293,039	170,879,157	Increase	11,586,118
Total Expenditure Charged Against Revenue†		559,594,884	604,122,006	Increase	44,527,122

* Additional interest voted in 1966-67, \$79,846, and in 1967-68, \$87,840.
† Includes charges to Treasurer's Advance pending Parliamentary authority.

Most of the expenditure shown in the foregoing statement has been classified under departmental headings and is discussed in subsequent sections. That in connexion with the Treasury has not been so classified, but 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. Generally, throughout the Report, expenditure falling within this group is included in the figures of the related Department. Other details are provided in Appendices B1-2.

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>Annual Appropriation.—Part I.</i> ..					
Parliament	554,959	553,505	1,454	25,708	579,213
Premier	2,884,075	2,853,302	30,773	43,843	2,897,145
Chief Secretary	39,296,394	39,132,178	164,216	922,563	40,054,741
Labour and Industry	1,290,948	1,290,944	4	23,786	1,314,730
Education	155,746,810	155,746,788	22	2,431,545	158,178,333
Attorney-General	7,299,420	7,232,827	66,593	157,185	7,390,012
Treasurer	29,408,369	28,803,587	604,782	289,891	29,093,478
Lands and Survey	3,617,923	3,617,775	148	137,364	3,755,139
Public Works	8,488,479	8,400,677	87,802	9,089	8,409,766
Local Government	680,497	660,011	20,486	10,438	670,449
Mines	1,180,441	1,106,968	73,473	4,736	1,111,704
Agriculture	7,592,656	7,357,600	235,056	50,123	7,407,723
Health	56,515,475	56,346,178	169,297	282,889	56,629,067
Fuel and Power	47,496	42,924	4,572	1,372	44,296
Railway Construction	99,181	98,741	440	..	98,741
Transport	25,904	25,528	376	417	25,945
Forests	3,466,029	3,334,995	131,034	145,656	3,480,651
Water Supply	11,826,706	11,767,511	59,195	198,317	11,965,828
State Coal Mine	601,741	584,638	17,103	66,759	651,397
	330,623,503	328,956,677	1,666,826	4,801,681	333,758,358
<i>Annual Appropriation.—Part II.</i>					
Railways	101,793,940	99,484,491	2,309,449	..	99,484,491
Total Annual Appropriation	432,417,443	428,441,168	3,976,275	4,801,681	433,242,849
<i>Special Appropriation—</i>					
Part I.	159,413,025	159,413,025	..	..	159,413,025
Part II.	11,466,132	11,466,132	..	..	11,466,132
Total Special Appropriation	170,879,157	170,879,157	..	..	170,879,157
Grand Total	603,296,600	599,320,325	3,976,275	4,801,681	604,122,006

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 remained as a charge to Treasurer's Advance at 30th June, 1968.

Expenditure pending Parliamentary sanction to :—	\$
Supplementary Estimates for 1967-68	4,801,681
Loan Application Acts	759,870
Total	5,561,551

On pages 25-70 and 74-75 of the Finance Statement, the Treasurer furnishes details of the amounts included in the charges to Treasurer's Advance of \$4,801,681 and \$759,870 respectively.

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* directs that the Auditor-General shall annex or append to his 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 “ E ” to this Report.

PART IV.—LOAN FUND.

Synopsis.

The State incurred additional loan liability of \$139,855,889 on account of moneys raised for works and associated purposes during the year, compared with \$132,678,132 in the previous year—an increase of \$7,177,757. The sources of the funds were five loans in Australia 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 \$144,383,211 and the funding of revenue deficits to the extent of \$4,000,000.

These transactions may be summarized as follows :—

Liability—							\$
Australian Loans	..	..	..	..	..	..	139,855,889
Less—							\$
Discounts Capitalized	..	..	..	..	..	..	155,889
Expenses of Flotation, &c.	..	..	..	..	..	..	331,523
							487,412
							139,368,477
Repayments	..	..	..	..	..	..	8,687,422
							148,055,899
Net Receipts—Raisings and Repayments	..	..	..	..	..	..	591,784
Balance forward 1st July, 1967	..	..	..	..	..	..	591,784
							148,647,683
Works—							
Under Parliamentary Authority	..	..	..	..	..	143,623,341	
Charged to Treasurer's Advance Pending Authority	..	..	..	..	..	759,870	
							144,383,211
Funding Revenue Deficits	..	..	..	..	..	4,000,000	
							148,383,211
Loan Cash on Hand at 30th June, 1968							264,472

Loan transactions for the year had the effect of increasing the State's liability under the Financial Agreement from \$1,850,496,754, at 30th June, 1967, to \$1,972,987,630 at 30th June, 1968. There is, however, additional liability to the Commonwealth in respect of advances for housing purposes under the Commonwealth—State Housing Agreement, \$451,748,462, and for special assistance loans for soldier settlement, \$13,299,926.

Loan Raisings.

Details of the terms and conditions in respect of \$139,855,889, the Victorian proportion of raisings for works and associated purposes by way of public issues and the sale of Special Bonds are as follows :—

Loan.	4·5 Per Cent.	4·8 Per Cent.	5 Per Cent.	5·25 Per Cent.	Special Bonds.	Price of Issue.	Date of Maturity.
	\$	\$	\$	\$	\$	\$	
No. 173	2,328,000	..	7,774,300	..	..	99·65	15. 8. 70
	11,635,000	..	Par.	15. 7. 77
	13,111,700	..	"	15. 7. 89
	"	15. 7. 03
No. 174	3,364,000	..	14,640,000	..	..	99·75	15. 8. 70
	11,173,000	..	Par.	15. 7. 77
	10,031,000	..	"	15. 7. 89
	"	15. 7. 03
No. 176	5,710,000	2,315,000	..	..	99·75	15. 2. 71
	2,498,000	..	99·20	15. 5. 78
	3,325,000	..	Par.	15. 2. 90
	"	15. 2. 04
No. 178	2,365,000	1,788,000	..	..	99·80	15. 2. 71
	3,136,000	..	99·20	15. 5. 78
	3,098,000	..	Par.	15. 2. 90
	"	15. 2. 04
No. 180	7,195,000	9,139,000	..	..	99·80	15. 2. 71
	10,500,000	..	99·20	15. 5. 78
	10,695,989	..	Par.	15. 2. 90
	"	15. 2. 04
Series " O "	2,465,700	"	1. 4. 75
Series " P "	1,568,200	"	1. 10. 75
	5,692,000	15,270,000	35,656,300	79,203,689	4,033,900	..	..

Expenses associated with the raising of loans for works purposes were met from the Loan Fund, a total amount of \$331,120 being so charged during the year. The expenses in respect of loan No. 178 and Special Bonds "P" are not yet known, and will be met in the current year.

Particulars of loans raised to meet the conversion of securities which matured in 1967-68 are :—

Securities Dealt With.		Redeemed by Sinking Fund (a) and Loan Proceeds (b).	Converted to—					Price of Issue.	Date of Maturity.	
Rate and Maturity.	Amount.		4.5 Per Cent.	4.8 Per Cent.	5 Per Cent.	5.25 Per cent.	Special Bonds.			
	\$	\$	\$	\$	\$	\$	\$	\$		
4.5 per cent. 15.10.67	64,840,600	10,949,600(a)	25,194,000	..	..	..	..	99.75	15.8.70
	..	..	..	..	17,912,000	..	..	Par.	15.7.77
	..	..	..	..	..	6,328,000	..	"	15.7.89
	..	..	..	..	..	3,093,000	..	"	15.7.03
	..	..	..	..	..	..	1,364,000	"	1.4.75
5 per cent. 1.1.68	2,579,000	..	..	..	..	..	2,579,000	"	1.4.75
	"	..	
4.75 per cent. 15.2.68	20,247,900	999,900(a)	..	..	..	..	..	..	..
	..	7,139,000(b)	..	3,615,000	..	..	..	99.75	15.2.71
	..	..	..	..	6,815,000	..	..	99.20	15.5.78
	..	..	..	..	..	332,000	..	Par.	15.2.90
	..	..	..	..	..	1,035,000	..	"	15.2.04
	..	..	..	..	..	..	312,000	"	1.10.75
5 per cent. 15.2.68	29,625,600	1,009,200(a)	..	10,840,000	..	..	..	99.75	15.2.71
	..	8,804,000(b)	..	..	1,425,000	..	..	99.20	15.5.78
	..	..	..	..	..	7,032,400	..	Par.	15.2.90
	..	..	..	..	..	12,000	..	"	15.2.04
	..	..	..	..	..	..	503,000	"	1.10.75
5 per cent. 15.5.68	54,670,000	5,457,000(a)	..	20,322,000	..	..	..	99.80	15.2.71
	..	9,500,000(b)	..	..	9,052,000	..	..	99.20	15.5.78
	..	..	..	..	..	8,349,000	..	Par.	15.2.90
	..	..	..	..	..	897,000	..	"	15.2.04
	..	..	..	..	..	..	1,093,000	"	1.10.75
5.25 per cent. 1.6.68	1,198,280	..	..	..	..	..	1,198,280	"	1.10.75
	173,161,380	18,415,700(a) 25,443,000(b)	25,194,000	34,777,000	35,204,000	27,078,400	7,049,280	..	..
			129,302,680							

Details of loan proceeds, other than from Special Bonds, which were applied to the redemption of securities are as follows :—

Securities Redeemed.		Securities Issued.					
Rate and Maturity.	Amount.	4.8 Per Cent.	5 Per Cent.	5.25 Per Cent.	Price of Issue.	Date of Maturity.	
	\$	\$	\$	\$	\$		
3 per cent. 1.7.67	15,314,058 (London)	..	..	19,200,000	Par.	15.7.88
4.75 and 5 per cent. 15.2.68	15,943,000	6,596,000	2,675,000	..	99.75	15.2.71	
		..	..	2,882,890	99.20	15.5.78
		..	..	3,827,000	Par.	15.2.90
		2,170,000	..	..	"	15.2.04
5 per cent. 15.5.68	9,500,000	..	1,670,000	..	99.80	15.2.71	
		..	..	2,856,700	99.20	15.5.78
		..	..	2,821,000	Par.	15.2.90
		..	..	..	"	15.2.04
	40,757,058	8,766,000	4,345,000	31,587,590	..	..
		44,698,590					

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

Redeemed.				Funds Provided by—		
Series.	Maturing.	Face Value.	At Cost of—	Series " N ".	Series " O ".	Series " P ".
		\$	\$	\$	\$	\$
D	1.1.68	1,169,360	1,281,046	14,892	1,266,154	..
E	1.6.68	698,300	699,674	13,056	38,658	647,960
F	1.1.69	315,100	321,402	33,762	219,810	67,830
G	1.10.69	358,300	365,466	47,430	251,634	66,402
H	1.6.70	333,000	336,330	33,431	229,472	73,427
I	1.10.70	902,900	911,929	85,648	697,809	128,472
J	1.6.71	192,100	194,021	27,472	124,634	41,915
K	1.1.72	794,900	794,900	113,700	500,900	180,300
L	1.10.72	866,900	873,225	91,400	595,480	186,345
M	1.8.73	363,900	363,900	39,800	230,700	93,400
N	1.3.74	905,600	905,600	..	670,800	234,800
	..	6,900,360	7,047,493*	500,591*	4,826,051	1,720,851

* In addition, Series " N " provided \$131,849 capital accretion re Series " C " matured 1.6.67.

Loan Expenditure.

The net loan expenditure in the year 1967-68 according to Treasury records was \$148,383,211 compared with \$141,561,502 for 1966-67 and \$130,847,943 for 1965-66. 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 :—

	1965-66.	1966-67.	1967-68.
	\$	\$	\$
School Buildings	26,409,083	28,896,919	30,283,583
Country Water and Sewerage Works	18,939,447	19,244,955	19,426,300
Railways	16,299,635	16,466,489	16,614,091
Electricity Commission	15,000,000	15,500,000	14,500,000
Hospitals	11,050,000	12,521,129	12,534,993
Mental Hospitals	5,122,695	4,898,038	4,790,240
Public Offices	3,813,896	5,438,517	4,324,271
National Art Gallery and Cultural Centre ..	1,664,000	3,000,000	3,500,000
Forests	2,076,932	2,151,992	2,759,101
Slum Reclamation	1,803,445	1,768,509	2,684,979
Victoria Institute of Colleges and Colleges of Advanced Education	10,000	706,354	2,445,182
Municipal Subsidies	2,044,186	1,806,134	2,397,812
Land Settlement	2,531,897	2,745,488	2,307,788
Court Houses	659,158	1,277,570	2,102,363
Vermin and Noxious Weeds	1,863,657	2,064,592	2,084,010
Universities—			
La Trobe	820,000	1,920,496	2,015,897
Melbourne	1,894,000	1,982,431	1,584,508
Monash	1,690,000	704,504	1,565,000
Social Welfare	1,857,103	1,543,536	1,666,119
Rural Finance	1,216,618	900,000	1,660,000
Country Roads	1,787,600	1,583,440	1,652,000
Agriculture	1,114,998	1,657,573	1,574,537
Police Buildings	905,704	750,020	807,888
Soil Conservation	356,235	399,601	664,289
Drought Relief .. .. .	..	..	655,891
Advances—Sundry	1,259,286	382,000	633,183
Westernport Development	2,615,290	999,151	547,276
Dredges	342,769	977,152	272,830
Sanatoria and General Health	1,053,832	472,207	267,107
Gas and Fuel Corporation—Share Capital ..	60,000	60,000	60,000
Other Public Works	4,586,477	4,742,705	6,001,973
In Aid of Revenue .. .. .	..	4,000,000	4,000,000
Total within Financial Agreement	130,847,943	141,561,502	148,383,211
Commonwealth—State Housing Agreement ..	33,566,506	32,959,761	33,765,534
	164,414,449	174,521,263	182,148,745

Public Debt under the Financial Agreement.

The Public Debt statement in the Treasurer's Finance Statement shows that the total indebtedness at 30th June, 1968, amounted to \$1,973,033,356. Of this, \$1,896,158,839 represented internal and \$76,874,517 external borrowing. After allowing for cash at credit of the National Debt Sinking Fund, the State's capital liability to the Commonwealth under the Financial Agreement was \$1,972,987,630, an increase of \$122,490,876 for the year. The capital liability 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 .. ..	..	2,281,584,938
<i>Plus</i> —Unapportioned Liability—Loan Cash on Hand .. ..	..	264,472
		<hr/>
		2,281,849,410
<i>Less</i> —Exchange premium—		
London	4,275,725	
New York	20,539,954	
Canada	2,058,613	
Switzerland	1,626,859	
Netherlands	690,001	
	<hr/>	29,191,152
		<hr/>
		2,252,658,258
<i>Less</i> —Equity in National Debt Sinking Fund—Cancelled Securities ..	..	279,624,902
		<hr/>
Total Indebtedness .. .. .	..	1,973,033,356
<i>Less</i> —Share of Cash—National Debt Sinking Fund .. ..	..	45,726
		<hr/>
State's Capital Liability to Commonwealth under the Financial Agreement ..		1,972,987,630
		<hr/>

As already mentioned, there is additional liability to the Commonwealth of \$451,748,462 for loans for housing purposes and \$13,299,926 for special assistance loans for soldier settlement.

The charges for the year on the Public Debt, including loan conversion expenses, were—

	\$
Interest—On Funded Debt	90,111,438
Loan Conversion and Management Expenses and Expenses of Paying Interest ..	375,836
Exchange on Overseas Interest	1,578,538
	<hr/>
Total Interest and Expenses (excluding interest on Commonwealth advances for Housing and Soldier Settlement and interest paid on Deposits)	92,065,812
Sinking Fund—State's Contribution to National Debt Sinking Fund	18,620,278
	<hr/>
Total Debt Charges	110,686,090
	<hr/>
The comparable figure for the previous year was	102,919,963
	<hr/>

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, 1967		659,905
Contributions 1967-68—		
<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 ..	4,544,120	
		4,884,992
<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 ..	4,439,531	
4 per cent. per annum on deficit loans	1,561,111	
·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	340,715	
2 per cent. per annum on tourist resorts development ..	11,545	
Various, on discount and expenses overseas loans ..	25,189	
4·5 per cent. per annum on cancelled securities	11,418,111	
		18,620,278
		24,165,175
Interest—temporary investment and repurchased securities		22,588
		24,187,763
Securities repurchased and redeemed, \$22,477,407, at a cost of		24,142,037
Balance of cash in Sinking Fund at 30th June, 1968		45,726

The total amount of securities repurchased or redeemed and cancelled on account of this State since the inception of the scheme is now \$279,624,902 at a cost, including exchange on overseas purchases, of \$295,655,589.

PART V.—TRUST FUND AND SPECIAL ACCOUNTS.

Synopsis.

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 in 1967-68 aggregating \$604,056,771 and credits, \$611,092,957.

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

New Funds and Accounts.

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.	1967-68.		Balance 30th June, 1968.
		Debits.	Credits.	
		\$	\$	\$
Aboriginal Affairs Fund ..	Pursuant to the <i>Aboriginal Affairs Act</i> 1967, to record the financial transactions of the Ministry of Aboriginal Affairs	340,794	343,352	2,558
Commonwealth Grant— Drought Relief 1967 Trust Account	To record transactions relative to moneys paid to the State by the Commonwealth for the purposes of drought relief	8,358,810	8,358,810	..
Commonwealth Grant : River Murray Salinity Reduction Account ..	To record transactions relative to moneys received from the Commonwealth pursuant to its <i>Victoria Grant (River Murray) Salinity Act</i> 1968	553,151	600,000	46,849
Fisheries Research Education Extension and Develop- ment Fund	In accordance with Section 5 (F) of the <i>Fisheries (Amendment) Act</i> 1967, to record the receipt of licence fees and the disbursement of such receipts for research upon, and the investigation and development of, Victorian and adjacent fisheries, and for the provision of extension services and education for fishermen	..	55,701	55,701
Forests (William Ricketts) Sanctuary Trust Account	To account for fees received by the Forests Commission for entry into the Sanctuary in accordance with Section 50 (6) of the <i>Forests Act</i> 1958.	..	4,352	4,352
Fox and Dingo Research Account	To receive grants from the Australian Meat Research Committee for the study of the food habits of foxes and dingoes and the development of methods of control over these animals by the Vermin and Noxious Weeds Destruction Board	4,935	7,221	2,286
Labour and Industry Trust Account	To receive moneys held in Trust by the Department of Labour and Industry in excess of current requirements	..	7,000	7,000
Law Department—Sureties Trust Account	To receive bail moneys held in Trust by the Law Department in excess of current requirements	..	80,000	80,000
Mildura Nursery Account	To account for moneys received from the Australian Dried Fruits Board in connection with the operations by the Department of Agriculture of a nematode resistant Vine Rootstocks Nursery at Mildura	199	225	26
Monash University Residenc- ial Colleges Building (Commonwealth Sub- sidy) Account	To record the receipt and transmission of moneys granted by the Commonwealth for payment to the Halls of Residence and affiliated Colleges at Monash University	101,125	101,125	..
Pulpwood Road Con- struction Account	Pursuant to Section 10 (2) of the <i>Forests (Wood Pulp Agreement) Act</i> 1961, to record the receipt and disbursement of moneys in accordance with sub-Clauses 5 (a) and 6 (b) of Clause 18 of the Agreement under that Act.	..	10	10
Social Welfare Training Council Account	To account for donations made to the Council for bursaries in Youth Leadership and Child Care	3,750	12,400	8,650
State Grants (Teachers' Colleges) Trust Account	To record transactions relative to funds received from the Commonwealth pursuant to its States Grants (Teachers Colleges) Act.	50,389	500,000	449,611
Sunday Entertainment Fees Suspense Account	To receive fees accompanying applications for permits, pending a decision on the issue of a permit under the <i>Sunday Entertainment Act</i> 1967, prior to transfer to Consolidated Revenue or refund to applicant	5,146	5,465	319
Tobacco Leaf Marketing Board Account	To account for advances received from the Tobacco Leaf Marketing Board towards expenditure by the Department of Agriculture in connection with the Tobacco Quota Committee and the Tobacco Quota Appeals Tribunal	5,918	8,013	2,095
Traffic Commission Fund	Pursuant to Section 3A of the <i>Road Traffic Act</i> 1958 to record, in terms of the Act, the receipt of moneys from the Country Roads Board Fund and the disbursement of those moneys by the Traffic Commission	70,661	73,779	3,118

Accounts Closed.

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 1967-68.

Account.	Balance at Date of Closing.	Remarks.
	\$	
Commonwealth Scholarships Scheme Trust Account	395,709	<p>This Account was established in 1951-52 to record the receipt and disbursement of moneys advanced to meet expenditure incurred by the State in its administration of the Commonwealth Scholarships Scheme.</p> <p>The Commonwealth Department of Education and Science has now assumed responsibility for such administration and the balance in the Account was repaid to the Commonwealth.</p>
Maffra Sugar Factory Depreciation Fund	9,660	<p>This Fund was opened in 1928 for the purpose of providing a tangible reserve against wasting and obsolescent assets at the Maffra Sugar Factory. Funds were provided from Consolidated Revenue and the investment of surplus moneys.</p> <p>The factory was closed in 1949 and as moneys were no longer required for the purpose for which the Fund was established, the cash balance was transferred to Consolidated Revenue in 1957. Since that date interest on investments and the proceeds of redemption of securities have been progressively transferred to Consolidated Revenue. The final investment matured in 1968 and the proceeds were transferred to Consolidated Revenue.</p>
Mrs. Marlene Joyce Barber and Dependants' Trust Account	9,396	<p>This Account was created in 1963-64 to accept moneys set aside from the Victorian Bush Fires Relief Account to provide a fund for the payment of a living allowance to Mrs. Barber on behalf of herself and children consequent upon the death of her husband, an officer of the Healesville Fire Brigade, who was fatally injured whilst engaged on bush fire duty in 1962.</p> <p>Mrs. Barber received regular payments up to and inclusive of the period ended 23rd November, 1967, at which time she was awarded \$26,000 for herself and children by way of compensation by the Country Fire Authority.</p> <p>As the purpose for which the Account was established then ceased to exist the balance was transferred to Consolidated Revenue.</p>

Current Funds and Accounts.

For convenience in explaining the funds and accounts within the Trust Fund, the relevant figures for 1967-68 are set out under broad classifications in the table below :—

	Balance Forward. General Account. <i>Investments.</i>	1967-68.		Balance 30th June, 1968. General Account. <i>Investments.</i>
		Debits.	Credits.	
	\$	\$	\$	\$
Commonwealth	8,601,250	126,682,109	126,911,428	8,830,569
Commonwealth-State	761,219	380,165	324,260	705,314
Compensation and Insurance	35,485,663	55,617,000	54,698,420	34,567,083
	13,082,998	8,140	7,698,100	20,772,958
Deposit	1,131,510	496,894	517,203	1,151,819
	420,242	..	..	420,242
Depreciation	2,149,673	3,006,751	3,215,525	2,358,447
	1,615,200	9,200	..	1,606,000
Social, Health and Welfare	1,195,351	45,946,946	46,223,537	1,471,942
	672,909	13,150	12,400	672,159
Superannuation and Pension	357,173	2,015,416	2,026,044	367,801
	15,449,032	433,487	125,000	15,140,545
Suspense	14,513,392	229,045,226	228,940,190	14,408,356
Works and Development	11,295,558	56,898,411	56,356,459	10,753,606
	2,400	..	..	2,400
Other	4,003,719	83,503,876	83,960,393	4,460,236
	724,040	..	18,200	742,240
General Account	79,494,508	603,592,794	603,173,459	79,075,173
<i>Investments</i>	31,966,821	463,977	7,853,700	39,356,544

In addition, securities to a value of \$15,317,606 have been lodged with the Treasurer. Transactions in 1967-68 were credits only, totalling \$65,798. Further reference to these securities is made on page 43.

The larger accounts included in the above classifications are discussed in the following pages.

COMMONWEALTH.

The Treasurer is empowered by the Public Account Act 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 No.
Melbourne University (Commonwealth Subsidy) Account	University of Melbourne	68
La Trobe University (Commonwealth Subsidy) Account	La Trobe University	73
Monash University (Commonwealth Subsidy) Account	Monash University	71
Commonwealth-State Housing Trust Account	Housing Commission	See Supplementary Report

The following funds are referred to under the departments and public authorities associated with their administration :—

Fund.	Page Reference No.
Commonwealth Aid Roads Accounts	58
Commonwealth-State Grants (Mental Institutions) Trust Fund	82
Rural Rehabilitation Fund—See under Rural Finance and Settlement Commission in Supplementary Report	—

Other funds in this group are :—

Commonwealth Pharmaceutical Benefits Trust Account.

Under the provisions of the National Health Act, the Commonwealth Government makes advances from time to time for the reimbursement to public hospitals and the Mental 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 1966-67 and 1967-68 :—

	1966-67.	1967-68.
	\$	\$
Balance 1st July	20,621	1,259,755
Received from Commonwealth during the year ..	5,000,000	4,103,385
	5,020,621	5,363,140
Reimbursements to Public Hospitals, &c.	3,760,866	4,215,977
Balance 30th June	1,259,755	1,147,163

Commonwealth Scholarships Scheme Trust Account.

The State administered the Commonwealth Scholarships Scheme on behalf of the Commonwealth Government up to 31st December, 1967. Administration of the scheme is now under the control of the Commonwealth Department of Education and Science. At 1st July, 1967, \$145,977 was held in the Trust Account and during the period 1st July to 31st December, 1967, advances totalling \$1,501,500 were received from the Commonwealth. These funds were used to pay fees, \$945,513, to the universities and other approved institutions for students who had been awarded Commonwealth Scholarships ; living allowances, \$700,852, to approved students ; and allowances, \$1,112, to certain students for the cost of travelling between their homes and the institutions at which they were studying. The account has now been closed.

Commonwealth-State Free Milk Scheme Account.

The Commonwealth Government, under the provisions of the *States Grants (Milk for School Children) Act 1950*, makes advances to the State from time to time to meet the cost of the provision of free milk to children in schools and pre-school establishments. Administration costs are borne equally by the Commonwealth and the State.

The following statement sets out the transactions of the Account during the years 1966-67 and 1967-68 :—

—	1966-67.	1967-68.
	\$	\$
Balance 1st July	138,161	40,152
Received from Commonwealth during the year ..	2,393,887	2,627,450
	2,532,048	2,667,602
Cost of milk supplied	2,463,139	2,510,215
Cost of straws and delivery thereof	25,098	22,792
Administrative expenses (Commonwealth proportion) ..	3,659	4,511
	2,491,896	2,537,518
Balance 30th June	40,152	130,084

Home Builders' Account.

Pursuant to the terms of the 1956-1966 Housing Agreement, part of the moneys made available by the Commonwealth to the State for housing is to be used to provide finance for home builders by means of loans to building societies and other approved institutions. This part is credited to a special account in the Trust Fund called the "Home Builders' Account".

The total advances to the Account by the Commonwealth from the commencement of the operation of the Agreement to 30th June, 1968, amounted to \$87,320,000. The Commonwealth charges interest on these advances, and has varied the rate from time to time. The rate operating in respect of advances made in 1967-68 was $4\frac{1}{4}$ per cent.

The Home Builders' Account is also credited with moneys received from building societies, &c., for interest and repayment of principal in respect of loans made by the State under the Agreement. To 30th June, 1968, the moneys received for these purposes amounted to \$47,024,016.

As required, advances are made from the Public Account to the Home Builders' Account under the authority of the *Public Account Act 1958*, pending receipt of funds from the Commonwealth. All such advances from the Public Account made during 1967-68 were repaid in the year. The Home Builders' Account is charged interest on these advances at the same rate as that received by the State on the Public Account. In calculating this interest, no allowance has been made for credits in the Public Account arising from repayments by the building societies, &c.

The moneys in the Home Builders' Account, after allowing for the amounts required for the payment of principal and interest to the Commonwealth and interest to 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. These moneys are administered by the Registry of Co-operative Housing Societies, advances being made to the Registry from the Account as required. Loans made to 30th June, 1968, totalled \$114,031,374. All of this sum was made available to co-operative housing societies—\$82,705,460 at an interest rate of $4\frac{1}{4}$ per cent., \$10,100,708 at an interest rate of $4\frac{5}{8}$ per cent. and \$21,225,206 at an interest rate of $4\frac{3}{4}$ 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 \$263,139. An amount of \$41,544 was charged against the accumulated interest surplus and credited to Consolidated Revenue. This charge was a recoup towards the State's administrative cost in respect mainly of the societies formed on or after 1st July, 1966, this being the date from which the 1956-1961 Housing Agreement was extended for a further period of five years. The accumulated interest surplus to 30th June, 1968, was \$1,559,435.

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

<i>Source of Funds—</i>		\$	\$
Balance 1st July, 1967	.. .. .	..	1,324,462
Advanced by Commonwealth Government	.. .. .	..	9,900,000
Interest and Repayments of Principal	.. .. .	..	9,381,410
Total Funds Available	.. .. .	..	<u>20,605,872</u>
 <i>Disbursement of Funds—</i>			
Advances to Registry	.. .. .	..	16,773,000
Commonwealth—Interest and Redemption	.. .. .	..	3,743,760
State of Victoria—			
Interest on Advances from Public Account	.. .. .	..	4,593
Payment towards Administrative Cost	.. .. .	..	41,544
			<u>46,137</u>
Total Disbursements	.. .. .	..	<u>20,562,897</u>
Balance 30th June, 1968	.. .. .	..	42,975
			<u>20,605,872</u>

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 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. Payments to distributors of petroleum products during 1967–68 totalled \$1,086,935.

State Grants (Advanced Education) Trust Accounts.

Under the provisions of the States Grants (Advanced Education) Acts, the Commonwealth made grants of financial assistance to the State for advanced education college building projects, equipment of a capital nature and library material.

The following statement summarizes the transactions during 1967–68 :—

	Colleges of Advanced Education.				Total.
	Education Department and Victoria Institute of Colleges.	Agriculture Department.	Forests Commission.	Para-medical Institutions.	
	\$	\$	\$	\$	\$
Balance—1st July	204,646	..	..	..	204,646
Commonwealth Building and Equipment Grants	2,452,800	11,500	33,000	69,500	2,566,800
Commonwealth Library Materials Grants	97,000	3,400	2,000	7,500	109,900
	<u>2,754,446</u>	<u>14,900</u>	<u>35,000</u>	<u>77,000</u>	<u>2,881,346</u>
Expenditure—Buildings and Equipment	2,368,113	12,933	30,064	34,072	2,445,182
—Library Materials	97,000	..	..	7,500	104,500
	<u>2,465,113</u>	<u>12,933</u>	<u>30,064</u>	<u>41,572</u>	<u>2,549,682</u>
Balance—30th June	289,333	1,967	4,936	35,428	331,664

In addition, an amount of \$2,788,408 received from the Commonwealth in respect of recurrent expenditure for colleges of advanced education was credited to Consolidated Revenue.

The following statement sets out the allocation of the total grants received on account of recurrent expenditure :—

	Colleges of Advanced Education.				Total.
	Education Department and Victoria Institute of Colleges.	Agriculture Department.	Forests Commission.	Para-medical Institutions.	
	\$	\$	\$	\$	\$
Commonwealth Grant on account of recurrent expenditure for advanced education	2,346,880	143,545	25,665	272,318	2,788,408

State Grants (Science Laboratories) Trust Account.

Pursuant to the provisions of the States Grants (Science Laboratories) Acts, the Commonwealth Government granted financial assistance to the State for science laboratories and equipment in schools. At 1st July, 1967, \$357,181 was held in the Trust Account and during the financial year a further \$3,553,200 was received from the Commonwealth. Payments of \$1,520,961 were made to registered schools and expenditure of \$1,801,654 was incurred by the Public Works and Education Departments on science laboratories and equipment in State schools. At 30th June, 1968, \$587,766 was held in the Trust Account.

State Grants (Technical Training) Trust Account.

Pursuant to the provisions of the States Grants (Technical Training) Acts, the Commonwealth Government made grants of financial assistance to the State for buildings and equipment for use in technical training in State schools as defined by these Acts. Grants totalling \$5,091,300 were received during 1967-68. Expenditure totalled \$4,387,430 and related to technical, agricultural and forestry school buildings and equipment. The balance held in the Trust Account at 30th June, 1968, was \$1,089,246.

State Grants (Teachers' Colleges) Trust Account.

Pursuant to the provisions of the States Grants (Teachers Colleges) Act, the Commonwealth Government provided grants of \$500,000 towards approved building projects in connexion with teachers' colleges. During the financial year, \$50,389 was so expended and at 30th June, 1968, \$449,611 was held in the Trust Account.

COMMONWEALTH-STATE.

The major account classified under this head is the Commonwealth-State Sirex Trust Account. This Account is discussed under "Forests Commission" at page 75.

COMPENSATION AND INSURANCE.

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

Fund.	Page Reference No.
Closer Settlement Insurance Fund	86
Railway Accident and Fire Insurance Fund	96
State Accident Insurance Fund	51
State Motor Car Insurance Fund	53

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

Estate Agents' Guarantee Fund.

Under the provisions of the *Estate Agents Act* 1958, this Fund, the income of which is provided from fees charged for estate agents' and sub-agents' licences, 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 by the employee or sub-agent of such licence holder.

Receipts for the year, including \$570 recouped from certain estate agents, totalled \$90,738 and claims paid amounted to \$10,309. The surplus of \$80,429 on the year's operations was transferred, in terms of the legislation, to Consolidated Revenue leaving the statutory maximum in the Fund, namely \$50,000.

Government Buildings Fire Insurance Fund.

This Fund was established pursuant to the *Special Funds Act 1910*, by the transfer of \$30,000 from the Assurance Fund. That Act provided for a yearly charge against Consolidated Revenue of \$4,000 and for the crediting of the Fund with interest on the balance of the Fund in excess of \$30,000. In 1942-43 the Fund was increased to \$200,000 and, until 1960-61, further contributions totalling \$1,294,000 were made from Consolidated Revenue.

Application of this Fund is restricted to Government buildings but, under a scheme known as the Government Buildings Fire Insurance Pool, an insurance contract negotiated by the State Accident Insurance Office with the Fire and Accident Underwriters Association of Victoria, insurance cover is provided in regard to buildings and other property and against fire and other risks to which the Fund is not applicable.

Neither of the above schemes applies to property owned by the Railways Commissioners for which separate provision is made in the Railway Accident and Fire Insurance Fund.

Transactions of the Government Buildings Fire Insurance Fund during the past three years are summarized below :—

	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Balance, 1st July	701,393	674,516	628,641
Special Appropriation	4,000	4,000	4,000
Income from Investment	3,500	3,500	3,500
	<hr/>	<hr/>	<hr/>
	708,893	682,016	636,141
Expenditure	34,377	53,375	10,633
	<hr/>	<hr/>	<hr/>
Balance, 30th June	674,516	628,641	625,508
Which included Investments of	70,000	70,000	70,000

In terms of the Act establishing the Fund, the present cash balance in excess of \$30,000 should be invested.

DEPOSIT.

Items under this heading comprise securities lodged by Insurance and Trustee Companies, \$140,000; Contractors' and Timber Cutters' deposits, \$475,500; Municipalities Loan Repayment Account, \$799,138, which includes investments totalling \$280,242; Sundry Investments—Interest Account, \$77,424; and Law Department—Sureties Trust Account, \$80,000.

DEPRECIATION.

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

Fund or Account.	Page Reference No.
Eildon Sewerage District Depreciation Fund	105
Forests Plant and Machinery Fund	77
Irrigation Districts Maintenance Equalization and Renewals Account	102
Printing Machinery Depreciation Fund	78
Public Works Plant and Machinery Fund	92
Railway Renewals and Replacements Fund	94
Water Supply Plant and Machinery Depreciation Fund	103
Water Supply Works Depreciation Fund	103

SOCIAL, HEALTH AND WELFARE.

Classified under this heading are funds the transactions of which are concerned with various social services.

Comments on the funds listed below are furnished on the pages shown :—

	Page Reference No.
Aboriginal Affairs Fund	44
Aborigines Welfare Fund	44
Hospitals and Charities Fund	83
Workers Compensation Board Fund	55

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, may make payments or advances to local advisory committees.

In addition to an annual statutory contribution of \$50,000 from Consolidated 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 :—

	1966-67.	1967-68.
	\$	\$
<i>Source of Funds—</i>		
Balance from Previous Year	1,001	651
<i>Government Contributions :—</i>		
Special Appropriation—Act No. 6240.	50,000	50,000
Departmental Vote—Education*	116,560	127,099
<i>Fees and Proceeds :—</i>		
Classes, Lectures and Discussion Groups	122,004	154,434
Schools and Conferences	32,931	33,860
Community Arts Service	2,147	1,727
Miscellaneous	1,617	1,323
	326,260	369,094
<i>Disbursement of Funds—</i>		
Administration—Salaries	106,631	115,726
Administration—General Expenses	66,118	71,498
	172,749	187,224
Classes, Lectures and Discussion Groups	110,924	139,452
Schools and Conferences	30,121	30,773
Community Arts Service	7,415	8,620
Russell-street Centre—Maintenance and Operating Costs	536	1,430
Ola Cohn Memorial Centre—Maintenance and Operating Costs .. .. .	..	700
Miscellaneous	3,864	443
	325,609	368,642
<i>Balance at End of Year</i>	651	452
	326,260	369,094

* Includes an amount equivalent to rentals received into Consolidated Revenue in respect of Russell-street premises, 1966-67, \$661; 1967-68, \$648.

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 1967-68, duty paid amounted to \$6,085,270. The sum of \$500,000 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 following statement sets out the transactions for the year and the gross amounts from the inception of the Fund until 30th June, 1968 :—

<i>Receipts.</i>	During the Year.	Total.
	\$	\$
Balance 1st July, 1967	15,076	..
Special Appropriations— <i>Tattersall Consultations Act 1958</i>	500,000	8,189,346
	<hr/>	<hr/>
	515,076	8,189,346
	<hr/>	<hr/>
<i>Payments.</i>		
Capital Works .. .. .	..	622,000
Maintenance Works .. .. .	..	300,000
General Expenditure (State Institutions) .. .. .	..	3,360,216
Maintenance Grants (Other Institutions)	494,231	3,100,119
Mental Health Research (University of Melbourne)	14,000	176,000
Capital Grants (Other Institutions) .. .. .	..	624,166
	<hr/>	<hr/>
	508,231	8,182 501
	<hr/>	<hr/>
Balance 30th June, 1968	6,845	6,845
	<hr/>	<hr/>

SUPERANNUATION AND PENSION.

The major funds included in this group are the Parliamentary Contributory Retirement Fund, Parliamentary Superannuation Fund, Police Pensions Fund, Police 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.

Parliamentary Contributory Retirement Fund.

The Constitution Act Amendment Act 1958 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 1967–68 was \$103,075.

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 1967–68 in respect of this Fund were :—

	\$	\$
Balance 1st July, 1967 .. .. .	..	418,670
Receipts—		
Members' Contributions	67,272	
Interest on Investments	19,828	
	<hr/>	<hr/>
		87,100
		<hr/>
		505,770
Payments—		
Pensions .. .. .	..	74,569
		<hr/>
Balance 30th June, 1968 .. .. .	..	431,201
		<hr/>
Represented by—		
Investments (Face Value \$423,180) .. .. .	..	422,992
Cash .. .. .	..	8,209
		<hr/>
		431,201
		<hr/>

Police Pensions Fund.

This Fund was, prior to the provisions of the *Superannuation Act* 1963 becoming effective, 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 1967-68, the additional contribution amounted to \$280,000.

A comparative summary for the past three years of the Police Pensions Fund is furnished below :—

	1965-66.	1966-67.	1967-68.
<i>Receipts.</i>	\$	\$	\$
Deductions from pay	55,033	56,714	55,069
Contributions from Consolidated Revenue	380,000	380,000	380,000
Interest on Investments	804,538	708,874	709,448
Surplus on disposal of investments	8,810	..	..
Surplus Revenue Account—Transfer from General Fund	9,262	..	..
Balance in hand—1st July	19,281,922	14,331,168	13,954,404
	20,539,565	15,476,756	15,098,921
<i>Disbursements.</i>			
Pensions	1,462,865	1,470,237	1,471,944
Gratuities	23,746	44,870	42,120
Deductions refunded—on resignation	9,805	7,245	8,994
Transfer to Surplus Revenue Account	9,262	..	..
Surplus Revenue Account—Transfer to Consolidated Revenue— Act No. 6338, Sec. 55 (5A)	9,262	..	..
State Superannuation Fund :— Act No. 7081, Section 9	657	..	..
Transfer of Securities, Act No. 7081, Sections 6 and 7	4,692,800	..	..
	6,208,397	1,522,352	1,523,058
Balance, 30th June	14,331,168	13,954,404	13,575,863
Represented by :— Investments	14,290,500	13,940,500	13,540,500
Cash	40,668	13,904	35,363
	14,331,168	13,954,404	13,575,863

At 30th June, 1968, the investments of the Fund comprised Commonwealth Government Inscribed Stock, \$10,690,500, 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 \$13,540,500.

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 1967-68. Damages awarded and penalties amounted to \$4,236, a decrease of \$61,591 on the amount credited in 1966-67. During the year, certain parts of the *Police Offences Act* 1958 were repealed and replaced by the *Summary Offences Act* 1966 and other Acts. Penalties which under the former Act were appropriated to this Fund are now, in terms of the new legislation, credited to Consolidated Revenue.

Pension payments from the Fund totalled \$21,382 which was \$2,843 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 amount standing to the credit of the Police Superannuation Fund as at 30th June, 1965, and on each succeeding 30th day of June.

During 1967-68 an amount of \$91,601 was so transferred. This sum represented the balance of the Fund at 30th June, 1967.

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 out of the Pilots' Salary Fund (which receives all moneys paid for pilotage rates) there is payable to the Port Phillip Pilot Sick and Superannuation Fund 6 per cent. of the amount at credit of the Pilots' 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 1966-67 and 1967-68:—

	1966-67.	1967-68.
	\$	\$
<i>Receipts.</i>		
Deductions from Earnings	74,479	71,392
Interest on Investments	57,117	59,768
Balance, 1st July	1,085,333	1,134,967
	1,216,929	1,266,127
<i>Payments.</i>		
Pensions	81,962	72,225
	81,962	72,225
Balance, 30th June	1,134,967	1,193,902
Represented by :—		
Investments	1,110,352	1,176,865
Cash	24,615	17,037
	1,134,967	1,193,902

Investments comprised inscribed stock of the Commonwealth Government, \$160,100, the State Electricity Commission, \$642,500, the Melbourne and Metropolitan Board of Works, \$176,600, the Melbourne Harbor Trust, \$40,000, the Grain Elevators Board, \$68,000, and a Registered First Mortgage over the Pilot Vessel "Akuna", \$89,665.

SUSPENSE.

The Trust Fund includes accounts which are in the nature of suspense accounts. Certain of these accounts are governed by relevant legislation, while others are clearing accounts for bookkeeping purposes.

Major accounts under this classification are discussed at the pages shown :—

<i>Account.</i>	Page Reference No.
Forests Stores Suspense Account	77
Public Works Stores Suspense Account	91
Railway Charges in Suspense Account	97
Railway Stores Suspense Account	97
Tourist Bureaux Trust Account	107
Water Supply Stores Suspense Account	103

WORKS AND DEVELOPMENT.

Transactions of funds under this heading are related to works, development and research. References to the undermentioned funds in this group appear on the pages shown :—

<i>Fund or Account.</i>	Page Reference No.
Country Roads Board Fund	57
Country Roads Board Special Works Account	62
Forest Equipment Hire Account	77
Forestry Fund	75
Municipalities Forest Roads Improvement Fund	62
Rivers and Streams Fund	104
State Rivers and Water Supply Commission Agency Trust Account	104
Tourist Fund	106

Comments on several other funds classified under the above heading are furnished hereunder :—

Decentralization Fund.

The major portion of the year's expenditure of \$160,111 consisted of subsidies in respect of freight costs.

Credits to the Fund have been :—

To 30th June, 1967	\$ 3,800,995
During the year—	
From Consolidated Revenue	100,000
	<u>3,900,995</u>

The Fund has been utilized as follows :—

Expenditure to 30th June, 1967	3,664,342
During the year—	
Power and Light Subsidies	7,853
Freight Subsidies	134,677
Removal of Plant, Machinery, Furniture, &c.	12,639
Miscellaneous	4,942
	<u>3,824,453</u>
The balance at 30th June, 1968, was	76,542
	<u>3,900,995</u>

Amounts advanced from the Decentralization Fund and still to be repaid at 30th June, 1968, are shown hereunder :—

—	Advanced to 30th June, 1968.	Repaid.	Outstanding 30th June, 1968.	Arrears.	
				Interest.	Principal.
	\$	\$	\$	\$	\$
Brickworks	34,098	7,623	26,475	12,767	23,904
Textile Industries	84,000	55,762	28,238	..	..
Foundries and Other Industries	108,143	22,114	86,029	18,137	80,729
	*226,241	85,499	140,742	30,904	104,633

* 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.

Level Crossings Fund.

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 of the Fund for the past two years are summarized hereunder :—

	1966-67.		1967-68.	
	\$	\$	\$	\$
Balance 1st July	1,021,300	1,203,124	
Receipts—				
Additional Registration Fees	793,452	851,340	
		<u>1,814,752</u>	<u>1,254,464</u>	
Expenditure—				
By Railway Department	397,141	699,154	
By Country Roads Board	214,487	125,496	
		<u>611,628</u>	<u>824,650</u>	
Balance 30th June	1,203,124	1,229,814	

Municipalities Assistance Fund.

Reference is made on page 88 under the Local Government section of this Report to subsidies of \$1,226,219 made from loan moneys to municipalities and other public bodies. Funds are also made available to municipalities through the Municipalities Assistance Fund.

The authority for this Fund is in the *Local Government Act* 1958. The Fund has these 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.

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 :—

	1966-67.		1967-68.	
	\$	\$	\$	\$
Balance, 1st July .. .. .	..	514,255	..	282,766
Contribution—Loan Fund .. .. .	..	400,000	..	550,000
Receipts from Fees—Motor Car Drivers' and Instructors' Licences	676,829	..	694,994	..
Less Costs of Collection	53,569	..	58,834	..
		<u>623,260</u>	<u>636,160</u>	
		<u>1,537,515</u>	<u>1,468,926</u>	
Expenditure—				
Contribution to Country Fire Authority ..	..	834,526	..	953,338
Contribution to Casual Fire Fighters Compensation Fund .. .. .	..	5,133	..	1,294
Subsidies to Municipalities for Works ..	..	415,090	..	417,385
		<u>1,254,749</u>	<u>1,372,017</u>	
Balance, 30th June .. .. .	..	282,766	..	96,909
		<u>1,537,515</u>	<u>1,468,926</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, 1968, is given hereunder :—

	\$	\$
Balance, 1st July, 1967 .. .. .	..	17,366
Receipts—		
From Consolidated Revenue	84,500	..
Loan Fund	276,329	..
Repayment of Advances, other contributions, &c. ..	10,181	..
	<u>371,010</u>	<u>388,376</u>
Payments—		
Grants to Committees of Management of National Parks and Advances for Works to the Public Works Department and Forests Commission, &c.	266,996	..
Administration Costs	81,243	..
	<u>348,239</u>	<u>40,137</u>
Balance, 30th June, 1968 .. .. .	..	40,137

In addition to the balance of \$40,137 at credit of the Fund, unexpended advances to the Public Works Department and the Forests Commission for works amounted to \$40,450 as at 30th June, 1968.

Roads (Special Projects) Fund.

This Fund, established under the provisions of the *Roads (Special Projects) Act 1965*, is credited with a proportion of certain fees prescribed under the Motor Car Act.

The moneys so provided may be applied, at the discretion of the Treasurer, 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.

Transactions on the Fund for the years 1966-67 and 1967-68 are set out below :—

	1966-67.		1967-68.	
	\$	\$	\$	\$
Balance, 1st July	4,660,711		5,895,840	
Receipts—				
Registration Fees	8,184,977		9,943,999	
	<u> </u>	12,845,688	<u> </u>	15,839,839
Expenditure—				
By Country Roads Board	3,310,762		2,652,122	
By Melbourne and Metropolitan Board of Works	3,639,086		7,097,913	
	<u> </u>	6,949,848	<u> </u>	9,750,035
Balance, 30th June		<u>5,895,840</u>		<u>6,089,804</u>

A statement of expenditure by the Country Roads Board on specific projects is given on page 58 of this Report. Further reference to expenditure by the Melbourne and Metropolitan Board of Works will appear in my Supplementary Report.

OTHER.

Dried Fruits Fund.

The Victorian Dried Fruits 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. Its 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 1966 and 1967.

1966.			1967.	
\$			\$	\$
35,876	Contributions		42,751	
2,233	Other Income		2,282	
<u>38,109</u>			<u>45,033</u>	
	Expenditure—			
4,393	Allowances, Board Members		4,393	
9,112	Salaries, Office Staff		10,078	
13,015	Inspection and Grading		15,016	
9,504	General Expenses		8,488	
<u>36,024</u>			<u>37,975</u>	
2,085	Surplus for Year			<u>7,058</u>

At 30th June, 1968, the balance at credit of the Fund in the Treasury amounted to \$74,870 and comprised cash \$6,870 and investments \$68,000.

Mallee Land Account.

The Treasurer is empowered by the Financial Agreement Act No. 3554 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 1966-67. At 30th June, 1968, the balance at credit of the Account was \$125,047.

Milk Board Fund.

The Board's operations in 1967-68 resulted in a revenue surplus of \$127,573, an increase of \$37,072 on the comparable figure for 1966-67.

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 1967-68 are subject to audit.

1966-67. \$							1967-68. \$	\$
	<i>Revenue.</i>							
445,569	Milk Trading Revenue	..	..	..	..	..	566,567	
29,097	Milk Shop Licence Fees	..	..	..	..	..	29,438	
872	Milk Shop Licence Transfer Fees	..	..	..	..	..	..
8,000	Rentals	..	..	..	..	..	8,000	
<u>483,538</u>								<u>604,005</u>
	<i>Expenditure.</i>							
151,171	Salaries	..	..	..	..	..	160,645	
3,344	Pay-roll Tax	..	..	..	..	..	3,986	
1,845	Rental of Premises	..	..	..	..	..	2,514	
18,439	Travelling Expenses	..	..	..	..	..	15,607	
14,696	General Expenses	..	..	..	..	..	19,809	
187,157	Publicity Account—Appropriation	..	..	..	..	..	258,464	
5,000	Improving Quality of Milk—Paid to Department of Agriculture	..	..	..	..	..	6,000	
7,361	Building Maintenance	..	..	..	..	..	5,310	
1,244	Interest	..	..	..	..	..	1,734	
2,780	Depreciation	..	..	..	..	..	2,363	
<u>393,037</u>								<u>476,432</u>
<u>90,501</u>	Surplus for the Year	..	..	..	..	..		<u>127,573</u>

The item—Publicity Account—Appropriation, \$258,464—is the provision from revenue to meet publicity costs incurred in promoting the consumption of milk. This appropriation, together with the sum of \$3,880 contributed by licensed milk carriers, was credited to the Publicity Account. Expenditure for publicity purposes charged to the Account in the year amounted to \$176,119.

A Determination of the Board, pursuant to the Act and operative from 1st November, 1967, increased the Board's margin (which includes a publicity component) on milk sales from 57 cents to 77 cents per gallon. The substantial rise in the surplus of the operations of the Board in the current year and the higher revenue appropriation to publicity were attributable to the increase in the margin.

The Board's balances as at 30th June, 1967, and 30th June, 1968, were :—

30.6.67. \$							30.6.68. \$	\$
2,705,172	Sundry Creditors—Trade	..	..	..	..	..	2,856,857	
37,571	Sundry Creditors—Other	..	..	..	..	..	33,010	
14,049	Milk Shop Licences Paid in Advance (Net)	..	..	..	..	..	12,893	
<u>2,756,792</u>								<u>2,902,760</u>
	Accumulated Funds—							
	Accumulation Fund—							
1,125,586	Balance Brought Forward	..	..	..	..	..	1,216,087	
90,501	Revenue Surplus for the Year	..	..	..	..	..	127,573	
<u>1,216,087</u>								<u>1,343,660</u>
122,712	Publicity Account	..	..	..	..	..	208,937	
<u>1,338,799</u>								<u>1,552,597</u>
<u>4,095,591</u>								<u>4,455,357</u>
1,085,593	Milk Board Fund—Balance at Treasury	..	..	..	..	..	..	1,233,517
2,740,245	Sundry Debtors—Trade	..	..	..	..	..	2,940,409	
2,551	Sundry Debtors—Publicity Account	..	..	..	..	..	1,315	
								<u>2,941,724</u>
10,127	Office Equipment, Furniture, and Fittings less Depreciation	..	..	..	..	..	..	9,388
6,574	Motor Vehicles less Depreciation	..	..	..	..	..	..	9,549
219,537	Land and Buildings at Cost	..	..	..	..	..	..	219,537
24,012	Publicity Plant and Equipment less Depreciation	..	..	..	..	..	..	38,527
6,952	Publishing Stocks on Hand	..	..	..	..	..	..	3,115
<u>4,095,591</u>								<u>4,455,357</u>

Trade debtors and creditors, for the most part, resulted from trading operations for the month of June, 1968.

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

<i>Account</i>	Page Reference No.
Licensing Fund	15
Totalizator Agency Board Trust Account	13
Traffic Commission Fund	61
Transport Regulation Fund	108

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*, \$15,188,872, and to a Geelong Harbor Trust debenture securing the outstanding balance of an advance, \$118,408.

PART VI—DEPARTMENTS, BRANCHES AND AUTHORITIES.

ABORIGINAL AFFAIRS.

The *Aboriginal Affairs Act* 1967, was proclaimed by order of the Governor in Council to operate from 1st January, 1968. As from that date, the Aborigines Acts previously in operation were repealed. The new legislation abolished the Aborigines Welfare Board and established a Ministry of Aboriginal Affairs for the purpose of promoting the social and economic advancement of aborigines. Also, the legislation established in the Treasury the Aboriginal Affairs Fund and directed that moneys appropriated by Parliament for the purposes of the Act and all other moneys received by the Ministry, together with the balance standing to the credit of the Aborigines Welfare Fund at the commencement of the Act, were to be paid into the Fund. The Minister is authorized to apportion, distribute, apply or lend any money in the Fund for the purposes of the Act.

Transactions during 1967–68 in relation to the Aborigines Welfare Fund and the Aboriginal Affairs Fund were :—

	Aborigines Welfare Fund. 1.7.67—31.12.67.	Aboriginal Affairs Fund. 1.1.68—30.6.68.	Total.
	\$	\$	\$
Balance 1st July, 1967	55,924	..	55,924
Receipts—			
Loan Fund Contribution	250,000	..	250,000
Consolidated Revenue Contribution	200,000	..	200,000
Revenue from Operations (Cattle Sales, &c.)	4,119	3,603	7,722
Rent	5,225	5,587	10,812
Donations	1,892	1,471	3,363
Miscellaneous	2,631	4,129	6,760
Balance of Aborigines Welfare Fund as at 31st December, 1967, transferred	327,538 <i>Dr.</i>	327,538	..
	192,253	342,328	534,581
Payments—			
Assistance to Aborigines	149,256	276,686	425,942
Administration, &c., Costs	42,997	63,084	106,081
Balance 30th June, 1968 .. .. .	..	2,558	2,558
	192,253	342,328	534,581

AGRICULTURE.

The Department of Agriculture is engaged in the administration of legislation relating to primary production, and 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.

NET COST TO REVENUE.

The expenditure (excluding that of the Victoria Dock Cool Stores) of the Department from revenue for the year was \$7,482,985, against which there were departmental receipts of \$1,073,664, resulting in a net cost to revenue of \$6,409,321, compared with \$6,185,244 for the previous year. Details of expenditure and receipts for the two years are :—

	1966-67.	1967-68.
<i>Expenditure.</i>		
Vote—	\$	\$
Department of Agriculture	7,218,420*	7,307,420
Treasurer—Workers Compensation Insurance	30,240	29,373
Treasurer—Pay-roll Tax	137,208	145,402
Public Works—Maintenance and Rent of Buildings	50,251	58,903
Special Appropriations	112,755	112,842
	7,548,874	7,653,940
<i>Less</i> Business Undertaking—Victoria Dock Cool Stores	238,019	170,955
	7,310,855	7,482,985
<i>Receipts.</i>		
Departmental	1,598,032	1,296,139
<i>Less</i> Victoria Dock Cool Stores	582,947	332,439
	1,015,085	963,700
Licences—Dairies, Dairy Farms, Dairy Produce Factories, &c.	110,526	109,964
	1,125,611	1,073,664
Net outgoing (excluding interest, sinking fund, and proportion of Government contribution to superannuation)	6,185,244	6,409,321

* Includes \$9,255 by way of *ex gratia* payments under authority of Treasury Vote—Division 48A.

In addition to the above-mentioned expenditure, the sum of \$336,044 was expended on agricultural education in 1967-68 under authority of the Education Vote for colleges of advanced education. In 1966-67, \$160,839 had been similarly expended.

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 \$1,657,697.

Agricultural Colleges and Research Farms.

In various parts of the State, the Department has established and maintains colleges and research farms for the purposes of agricultural education and the development of improved farming methods.

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 "C" to this Report.

The receipts shown in Appendix "C", amounting to \$609,655, were credited to Consolidated Revenue. Payments amounting to \$3,345,896 were made from Consolidated Revenue and Loan Fund on account of general maintenance and capital items.

The capital items were :—

	\$	\$
Properties—		
Pastoral Research Station, Hamilton	15,500	
Dairy Research Station, Ellinbank	25,700	
	<u>41,200</u>	
Buildings—		
Agricultural College, Dookie	27,846	
Gilbert Chandler Institute of Dairy Technology, Werribee	597,040	
Dairy Research Station, Ellinbank	24,528	
Research Station, Mildura	24,540	
Research Station, Rutherglen	20,486	
Research Station, &c., Werribee	11,874	
Pastoral Research Station, Hamilton	27,228	
Vegetable Research Station, Frankston	17,131	
Other locations	39,339	
	<u>790,012</u>	
Plant and Equipment—		
Gilbert Chandler Institute of Dairy Technology, Werribee	62,785	
Research Station, Mildura	24,501	
Research Station, Scoresby	15,834	
Research Station, Tatura	11,669	
Research Station, &c., Werribee	28,372	
Pastoral Research Station, Hamilton	11,073	
Other locations	54,084	
	<u>208,318</u>	
Water Reticulation—		
Agricultural College, Longerenong	8,424	
Potato Research Station, Healesville	14,112	
Pastoral Research Station, Hamilton	21,525	
Other locations	21,287	
	<u>65,348</u>	
Permanent Improvements, &c., various locations		35,481
Electrical Installations, various locations		2,502
Furniture, various locations		48,099
Fencing, various locations		25,854
Roads, various locations		9,580
		<u>1,226,394</u>

Victoria Dock Cool Stores.

Operations during the year ended 30th June, 1968, which were affected by drought conditions, resulted in a loss of \$109,031. The following comparative statement summarizes transactions during each of the last three years :—

—	1965-66.		1966-67.		1967-68.	
	\$	\$	\$	\$	\$	\$
<i>Revenue.</i>						
Storage and Shipping Charges	511,447		514,813		220,584	
Rental .. .. .	..		14,172		53,689	
	<u>511,447</u>		<u>528,985</u>		<u>274,273</u>	
<i>Expenditure.</i>						
Salaries and Wages, &c.	181,230		169,150		133,582	
Pay-roll Tax	4,357		4,257		3,323	
Rent of Site	5,416		5,416		5,416	
Agency and Commission	23,393		20,645		19,886	
Maintenance	16,554		25,582		27,067	
Electrical Energy	40,145		42,044		29,771	
Other Charges (net)	6,017		7,183		4,657	
Depreciation	49,447		52,749		56,810	
Interest on Capital	82,887		93,411		102,792	
	<u>409,446</u>		<u>420,437</u>		<u>383,304</u>	
Result for year	Profit 102,001		Profit 108,548		Loss 109,031	

During the year, capital provided by the State was increased by \$230,874. 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 offset against the capital provided by the State in arriving at the notional charge for interest.

ABRIDGED BALANCE-SHEET.

30.6.1967.		30.6.1968.
\$		\$
2,072,430	Capital provided by State	2,303,304
149,392	Contribution by Commonwealth, &c.	149,392
15,464	Sundry Creditors	15,956
5,921	Reserve	5,921
..	Provision for Accrued Agency	11,791
		\$
1,217,209	Profit forward	1,217,209
	Less Net Operating Loss	109,031
		<u>1,108,178</u>
<u>3,460,416</u>		<u>3,594,542</u>
	Fixed Assets at cost less depreciation :—	
1,317,141	Buildings	1,483,650
299,370	Machinery, Plant, &c.	317,308
25,711	Roads and Railway Sidings	25,265
<u>1,642,222</u>		<u>1,826,223</u>
7,774	Stores on hand	6,834
203,000	Sundry Debtors	144,972
1,607,420	Excess of payments to Consolidated Revenue over working and other expenses provided therefrom	1,616,513
<u>3,460,416</u>		<u>3,594,542</u>

CHIEF SECRETARY.

The accounts of a number of sub-departments and branches administered by the Chief Secretary are discussed hereunder.

Police.

POLICE SERVICES.

The net cost to revenue of these services was \$23,346,314. 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 applicable, the expenditure under the authority of votes of other Departments. Expenditure and revenue for the year are compared hereunder with corresponding figures for the previous year :—

	1966-67.	1967-68.
	\$	\$
<i>Expenditure—</i>		
Salaries and Allowances	19,819,981*	21,692,547
Overtime and Penalty Rates	303,193	304,113
Payments in lieu of Long Service Leave	147,621	217,795
Payroll Tax	492,705	524,912
Travelling and Subsistence	554,545	538,190
Office Requisites and Equipment, Printing, &c.	222,710	203,996
Postal and Telephone Expenses	426,513	496,989
Motor Vehicles, Purchase and Running Expenses	859,826	790,080
Fuel, Light, Power and Water	214,959	230,490
Maintenance and Rent of Buildings	41,198	41,905
Police Service Board	7,978	8,825
Workers Compensation Insurance	128,047	150,334
Pensions and Superannuation	623,552	685,894
Other Expenditure	410,729	499,187
	24,253,557	26,385,257
<i>Revenue—</i>		
Police Services	1,100,103	1,144,322
Firearms and other Licences	10,498	11,816
Recoup of administrative expenses—Motor Registration Branch, &c.	1,658,401	1,882,805
	2,769,002	3,038,943
<i>Net Cost to Revenue</i>	21,484,555	23,346,314
Expenditure on Police Buildings and Residences Financed from Loan Fund	750,020	807,888

* Includes \$4,285 in 1966-67 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*. 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 are shown below :—

1966-67.		1967-68.
\$		\$
39,276,012	Fees under the Motor Car Act	42,657,431
24,719,803*	Third Party Insurance Premiums	27,110,012*
4,895,514	Stamp Duty	5,436,085
68,891,329		75,203,528

In accordance with statutory direction these collections were credited to :—

\$	<i>Country Roads Board Fund—</i>	\$	\$
25,988,835	Motor Fees and Examiners' Licences	27,377,303	
676,829	Drivers' Licence Fees (one-quarter)	694,994	
1,586,906	Additional Registration Fees (two-thirds)	1,702,683	
28,252,570		29,774,980	
	<i>Level Crossings Fund—</i>		
793,452	Additional Registration Fees (one-third)		851,340
	<i>Municipalities Assistance Fund—</i>		
676,829	Drivers' Licence Fees (one-quarter)		694,994
	<i>Transport Regulation Fund—</i>		
11,772	Omnibus Registration Fees		11,666
	<i>Roads (Special Projects) Fund—</i>		
8,184,977	Increase in Registration Fees		9,943,999
	<i>Hospital and Charities Fund—</i>		
580,457	Contributions—Third Party Insurance Premiums		1,433,474
	<i>Consolidated Revenue—</i>		
1,356,412	Drivers' Licence Fees (one-half)	1,380,452	
1,944,446	Insurance Surcharges	2,036,092	
4,895,514	Stamp Duty	5,436,085	
8,196,372		8,852,629	
	<i>Approved Third Party Insurers—</i>		
22,194,900	Net Premiums collected on their behalf		23,640,446
68,891,329			75,203,528

*Excludes collections by authorized insurers.

Fees under the Motor Car Act.—Fees collected by the Branch under the Motor Car Act increased by \$3,381,419. The higher collections from this source were due, mainly, to :—

- (i) the greater number of motor cars registered—1,221,764 compared with 1,184,913 in 1966-67 ;
- (ii) a rise in fees on the registration or the renewal of the registration of motor cars and trailers in accordance with the Second Schedule to the *Motor Car Act* 1958 as amended by Act No. 7593—operative from 1st March, 1968 ; and
- (iii) the operation of the *Motor Car (Trailers) Act* 1966 for a full twelve months. This Act, which came into operation on 22nd May, 1967, provided for the registration of certain trailers previously exempted from the payment of fees.

Third Party Insurance.—An increase of \$2,390,209 in the total premiums collected on behalf of authorized insurers was indicative of the greater volume of transactions handled by the Branch in 1967-68.

The *Motor Car (Hospital and Charities Contributions) Act* 1966, which came into operation on 1st March, 1967, provided that the sum of \$1.40 or such greater amount not exceeding five per cent. of the total premium paid as is prescribed by the Governor in Council shall be deducted from each premium collected and paid to the credit of the Hospitals and Charities Fund. The amount so credited to the Fund for 1967-68 was \$1,433,474.

Costs of Collection.—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.

Social Welfare.

This Branch is established on the basis of six divisions. The statement below shows the expenditure, revenue, net cost to Consolidated Revenue and Loan Expenditure of the Branch for the past three years.

Division.	1965-66.		1966-67.		1967-68.	
<i>Expenditure.</i>	\$	\$	\$	\$	\$	\$
Administration and Research and Statistics	291,202		317,312		373,300	
Family Welfare	3,163,808		3,367,532		3,751,401	
Youth Welfare	1,385,961		1,625,970		1,789,284	
Prisons	2,569,991		2,910,651		3,218,809	
Training	96,583		98,278		117,149	
Probation and Parole	263,974		288,479		313,916	
	7,771,519		8,608,222		9,563,859	
 <i>Revenue.</i>						
Prisons	274,330		278,381		410,999	
Other Divisions	256,662		245,589		191,309	
	530,992		523,970		602,308	
<i>Net Cost to Consolidated Revenue</i> ..	7,240,527		8,084,252		8,961,551	
Loan Expenditure	1,901,059		1,548,874		1,704,289	

The prime reasons for expenditure of the Family Welfare Division exceeding that of 1966-67 by \$383,869 were an increase in salary costs of \$107,305 and additional expenditure of \$223,286 on account of payments to assisted mothers, children in necessitous circumstances and subsidies in connexion with State wards. The increase in expenditure on salaries was due largely to the creation of additional positions, increased rates payable to professional officers and the operation for a full year of an institution opened in 1966-67. The higher expenditure in connexion with assisted mothers, &c, was caused by an increase in rates of payment from October, 1967.

In the Youth Welfare Division an increase in salaries of \$75,053 was the most significant component of the rise of \$163,314 in expenditure in 1967-68. Again, creation of additional positions and increased rates payable to professional officers were the reasons for the rise.

Expenditure for the Prisons Division exceeded that for the previous year by \$308,158. Salaries on account of additional positions and the opening of a new institution were responsible for a substantial part of the increase.

State Accident Insurance Office.

The financial transactions of this Office are conducted through the State Accident Insurance Fund.

Operations of the Office for the year resulted in a net profit of \$2,689,960. This profit has yet to be appropriated, as at 30th June, 1968, 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 three years are furnished below :—

INCOME AND EXPENDITURE.

	1965-66.	1966-67.	1967-68.
Income—	\$	\$	\$
Premiums Earned	8,506,030	8,703,741	9,625,952
Interest	498,312	536,049	596,439
Rents (Net)	33,405	149,719	220,384
	9,037,747	9,389,509	10,442,775
Expenditure—			
Claims	6,948,948	5,679,507	7,079,366
Management	363,307	466,149	481,602
Agents' Commission	194,454	185,040	190,789
Loss—Sale of Property	63	2,205	1,058
	7,506,772	6,332,901	7,752,815
Net Profit	1,530,975	3,056,608	2,689,960
	%	%	%
Loss ratio to earned premium income	81.7	65.3	73.5

APPROPRIATION ACCOUNT.

	1965-66.	1966-67.	1967-68.
Net Profit	\$	\$	\$
Net Profit	1,530,975	3,056,608	2,689,960
Surplus on Sale of Offices—412 Collins-street, Melbourne .. .. .	..	169,068	..
Provision for depreciation written back .. .. .	..	47,846	..
	1,530,975	3,273,522	2,689,960
Transfer to General Reserve (<i>vide</i> Act No. 7449) .. .. .	..	169,068	..
Appropriations—			
Bonus Equalization Reserve	807,851	1,273,522	Yet to
General Reserve .. .. .	..	630,932	be
Consolidated Revenue	723,124	1,200,000	determined
	1,530,975	3,273,522	2,689,960

Premiums in respect of policies issued to government and semi-government 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.

A reduction of \$366,648 in the net profit for the year under review compared with the year 1966-67 was due mainly to an increase in incurred claims, which, however, was absorbed to a large extent by a rise in premiums earned. The respective amounts shown as incurred claims for the past three financial years were determined as follows :—

	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Claims paid during the year	5,035,208	5,711,106	5,924,701
Add Claims unpaid as at close of year	12,350,672	12,319,073	13,473,738
	<u>17,385,880</u>	<u>18,030,179</u>	<u>19,398,439</u>
Less Claims unpaid brought forward from previous year	10,436,932	12,350,672	12,319,073
Incurred claims	<u>6,948,948</u>	<u>5,679,507</u>	<u>7,079,366</u>

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

30.6.67.		30.6.68.
\$	Assets.	\$
	Current—	
15,842,850	Cash	16,694,568
915,096	Sundry Debtors, <i>less</i> Bad Debts Provision	697,256
		<u>17,391,824</u>
4,771,760	Inscribed Stock	5,571,760
363,125	Balance due <i>re</i> sale of Property—412 Collins-street, Melbourne	338,917
	Fixed—	
218,443	Furniture, Office Machines, and Cars— <i>less</i> Depreciation	203,379
2,852,646	Property (at cost)—Offices—480-490 Collins-street, Melbourne	2,882,596
		<u>3,085,975</u>
<u>24,963,920</u>		<u>26,388,476</u>
	Liabilities and Funds.	
	Current—	
2,419,480	Unearned Premiums	1,948,644
12,319,073	Claims Outstanding	13,473,738
111,465	Sundry Creditors	54,362
1,200,000	Provision for Contribution to Consolidated Revenue .. .. .	..
19,550	Provision for Reinsurance Premiums.. .. .	36,390
		<u>15,513,134</u>
	Deferred—	
2,003,710	Bonus Equalization Reserve	1,232,718
60,642	Building Depreciation and Maintenance Provision	122,664
		<u>1,355,382</u>
	Funds—	
6,800,000	General Reserve	6,800,000
30,000	Building Improvement Reserve	30,000
—	Appropriation Account	2,689,960*
		<u>9,519,960</u>
<u>24,963,920</u>		<u>26,388,476</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.

In the assessment, as at 30th June, 1968, of the liability which could arise in respect of claims relating to a particular category of heart case in government type employment, the Commissioner adopted a similar policy to that which he instituted for claims of this type outstanding as at 30th June, 1967.

State Motor Car Insurance Office.

The financial transactions of this Office are conducted through the State Motor Car Insurance Fund.

Over the period from its inception in 1941 to 30th June, 1968, the Office has incurred an accumulated loss of \$4,692,088.

Operations for the year resulted in a loss of \$2,041,598 compared with a loss of \$189,880 in 1966-67.

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

	1966-67.			1967-68.		
	Third-Party.	Comprehensive.	Total.	Third-Party.	Comprehensive.	Total.
	\$	\$	\$	\$	\$	\$
Net Premiums earned	8,783,714	3,673,022	12,456,736	9,871,537	4,164,026	14,035,563
Stamp Duty recouped .. ..	..	196,547	196,547	..	218,332	218,332
	8,783,714	3,869,569	12,653,283	9,871,537	4,382,358	14,253,895
Claims	9,486,318	2,755,541	12,241,859	12,566,879	3,177,926	15,744,805
Management	309,722	710,351	1,020,073	325,068	811,167	1,136,235
Licence Fee .. ..	..	196,430	196,430	..	218,487	218,487
	9,796,040	3,662,322	13,458,362	12,891,947	4,207,580	17,099,527
Operating Profit .. ..	..	207,247	207,247	..	174,778	174,778
Operating Loss	1,012,326	..	1,012,326	3,020,410	..	3,020,410
Net Operating Loss .. ..	..	..	805,079	..	..	2,845,632
Interest—Fund at Treasury .. ..	..	..	616,754	..	..	804,106
Sale of Property .. ..	..	(Loss)	1,555	..	(Loss)	72
Net Loss .. ..	..	..	189,880	..	..	2,041,598
Loss ratio to earned premium income—			%			%
Third-party .. ..	..	..	108·0	..	..	127·3
Comprehensive .. ..	..	..	75·0	..	..	76·3

Although business on account of Comprehensive Insurance produced a net profit, a substantial loss on Third Party Insurance resulted in an increased overall loss for the year under review as compared with the year 1966-67. In respect of Third Party Insurance, premium income rose by \$1,087,823. On the other hand, the amount of incurred claims for this type of insurance increased from \$9,486,318 in 1966-67 to \$12,566,879 in 1967-68.

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

30.6.67.	<i>Assets.</i>								30.6.68.
\$									\$
	<i>Current—</i>								
14,139,924	Cash	..	..	..	..	..	..	..	12,148,608
1,445,945	Sundry Debtors—Premiums Due, &c.	..	..	..	..	..	..	..	1,838,377
..	Trust Account	..	..	..	..	..	..	..	8,570
<u>15,585,869</u>									<u>13,995,555</u>
	<i>Investments—</i>								
7,984,859	Government and Semi-Government Securities	..	..	..	..	..	..	..	14,869,752
	<i>Fixed—</i>								
48,852	Furniture and Office Machines <i>less</i> Depreciation	..	..	..	..	..	..	..	46,192
	<i>Profit and Loss Account—</i>								
2,650,490	Accumulated Loss	..	..	..	..	..	..	..	4,692,088
<u>26,270,070</u>									<u>33,603,587</u>
	<i>Liabilities and Provisions.</i>								
	<i>Current—</i>								
6,655,129	Unearned Premiums	..	..	..	..	..	..	..	7,284,401
19,369,008	Claims Outstanding	..	..	..	..	..	..	..	25,735,411
101,683	Sundry Creditors	..	..	..	..	..	..	..	182,885
144,250	Provision for Reinsurance Premiums	..	..	..	..	..	..	..	400,890
<u>26,270,070</u>									<u>33,603,587</u>

The estimated liability for outstanding claims has been calculated on the basis of a combination of “case” and “average” estimating having due regard to previous experience in the results of finalizing claims. To the sum so determined there have been added amounts to provide for unknown and unforeseen liabilities.

Workers Compensation Board.

In accordance with the provisions of the *Workers Compensation Act 1958*, the revenue of the Board consists of contributions by Authorized 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 empowered to recover any such amounts on behalf of the Fund. Certain costs and expenses of the Insurance Commissioner are met from the Fund.

Amounts shown herein in respect of the financial year 1967-68 are submitted subject to audit. Particulars of Income and Expenditure of the Fund for the years 1966-67 and 1967-68 are as follows :—

	1966-67.	1967-68.
	\$	\$
<i>Income—</i>		
Contributions from Insurers and others	199,442	241,761
<i>Expenditure—</i>		
Salaries	86,059	91,423
Rent	63,278	63,289
General	24,553	24,184
Claims on uninsured employers paid from the Fund (net) ..	52,593	19,398
	226,483	198,294
Excess of Expenditure over Income	27,041	..
Excess of Income over Expenditure .. .. .	..	43,467

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. 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 1966-67 and 1967-68 are summarized below :—

	1966-67.	1967-68.
	\$	\$
Receipts	4,024,807	5,510,876
Payments	3,193,883	3,346,611
Excess of receipts over payments	830,924	2,164,265
Balance at beginning of year	12,612,079	13,443,003
Balance at close of year	13,443,003	15,607,268

Investments, &c., controlled by the Board at 30th June, 1968, are shown hereunder :—

	\$
<i>Common Fund—</i>	
Cash, State Savings Bank of Victoria	706,990
Commonwealth Securities (face value)	500,100
State Electricity Commission Debentures	7,350,000
Melbourne and Metropolitan Board of Works Debentures	5,500,000
Geelong Waterworks and Sewerage Trust Debentures	950,000
Frankston Sewerage Authority Debentures	200,000
Chelsea Sewerage Authority Debentures	300,000
Mornington Sewerage Authority Debentures	100,000
Temporary Advances	178
	15,607,268
<i>Specific Investments—</i>	
Commonwealth Securities	4,400
Geelong Waterworks and Sewerage Trust Debentures	4,000
	8,400

Other Branches.

The net costs of the remaining sub-departments and branches of the Chief Secretary's Department for 1967-68 compared with the previous year are as set out below :—

	1967-68.			1966-67.
	Expenditure.	Revenue.	Net Cost.	Net Cost.
	\$	\$	\$	\$
State Library, &c.	2,584,402	5,766	2,578,636	2,320,151
Government Statist	436,258	232,566	203,692	165,021
Fisheries and Wildlife	734,686	218,633	516,053	460,389
Immigration	114,234	468	113,766	97,858
Other Branches	498,549	65,062	433,487	391,656
Administrative	375,637	50,893	324,744	297,924
	4,743,766	573,388	4,170,378	3,732,999

Expenditure from loan funds during 1967-68 related to :—

	\$
Contribution to National Art Gallery and Cultural Centre Trust Fund ..	3,500,000
State Library, La Trobe Library, National Gallery, National Museum and Institute of Applied Science.. .. .	177,922
Country Art Galleries	31,309
Fisheries and Wildlife	137,252

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 to carry out construction and maintenance works on selected unclassified roads under their care and management.

MAIN FUNDS ADMINISTERED BY THE BOARD.

Country Roads Board Fund.

The principal sources of revenue of the Fund in 1967-68 were :—

- (i) *Fees under the Motor Car Act.*—Receipts for the year under this Act amounted to \$30,029,171 and the costs of collection were shown to be \$3,223,835. The comparable figures in 1966-67 were, respectively, \$28,455,396 and \$2,583,907.

The increase in collections, \$1,573,775, was due, mainly, to :—

- (a) the greater number of motor vehicles registered in Victoria—1,221,764 compared with 1,184,913 in 1966-67 ; and
- (b) the full effect of the *Motor Car (Trailers) Act* 1966 which came into operation on 22nd May, 1967. This Act provided for the registration of certain trailers previously exempted from the payment of fees.

Costs of collecting fees under the Motor Car Act increased substantially in 1967-68. The increased costs, \$639,928, were due to :—

- (a) higher repayments by the Board towards the cost of erecting the new Motor Registration Branch building at Carlton—\$215,435. By direction of the Treasurer the full cost of this building is to be recouped from the Country Roads Board Fund ;
- (b) a rise in salaries, overtime, tea money, etc., paid to administrative personnel at the Motor Registration Branch and police personnel at various testing stations—\$294,681 ;
- (c) the net increase in sundry administrative costs, including expenditure on new buildings at Geelong and Fishermen's Bend—\$116,242 ; and
- (d) progressive payments in respect of management consultant services at the Motor Registration Branch—\$13,570.

In addition to the costs of collection under the Motor Car Act shown above, \$3,223,835, the Board was required to reimburse the Transport Regulation Board, from the amount received in respect of motor car registration fees, the costs of collecting road charges under Part II. of the *Commercial Goods Vehicles Act* 1958. The amount paid in the year was \$403,939 compared with \$382,710 in 1966-67.

- (ii) *Special Contribution from Loan Fund.*—Item 68 of the *Public Works Loan Application Act* 1967 authorized 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 \$700,000 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) *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 \$7,247,589. The amount credited to the Fund in 1966-67 was \$6,732,314, an increase of \$515,275 for the current period.

Moneys at credit of this Account are available to finance road maintenance expenditure only.

Loan Fund.

Under the authority of Section 31 of the *Country Roads Act 1958*, the Treasurer in 1967-68 provided from Loan Fund the sum of \$987,000 for the purpose of permanent works as defined in that Act. This sum was allocated as follows :—

	\$
For permanent works on Main Roads	354,732
Against Board's expenditure on certain permanent works on State Highways ..	632,268
	987,000

Included in the 1967-68 allocation is an advance of \$35,000 in transit at 30th June, 1967.

Commonwealth Aid Roads 1964 Accounts.

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 \$136,000,000 for 1967-68 was \$26,593,267 and it received by way of additional assistance the maximum grant of \$4,692,929.

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.

Of the total amount of \$31,286,196 received by Victoria in 1967-68, \$30,895,119 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 \$12,514,479, 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, \$391,077, 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.

Roads (Special Projects) Fund.

Pursuant to the provisions of the *Roads (Special Projects) Act 1965*, the Treasurer authorized the Country Roads Board to expend, in 1967-68, a maximum of \$3,145,000 for the purposes of twelve projects approved by the Governor in Council.

Details are :—

Project No.	Project.	Expenditure Authorized 1967-68.	Expenditure 1967-68.	Total Expenditure.
		\$	\$	\$
2	Hume Highway (Craigieburn to Wallan)	500,000	467,218	1,445,303
5	Western Highway (Westerly from Deer Park)	310,000	252,006	1,256,437
6	Princes Highway East (Easterly from Doveton)	341,000	264,994	630,467
7	Western Highway (Pykes Creek)	350,000	332,571	997,608
8	Hume Highway (Tallarook)	120,000	20,720	215,813
9	Princes Highway East (Moe By-Pass Road)	500,000	441,261	1,152,587
10	" " " (Hospital Creek)	28,000	22,153	310,919
11	Maroondah Highway (From Stirling-road to Brushy Creek)	360,000	275,771	290,800
12	Taylor Bay (Tourists' Road)	125,000	123,269	303,123
13	Nepean Highway (Extension of duplication beyond Old Mornington-road)	306,000	304,225	706,178*
14	Marlo-Cape Conran Road (Tourists' Road)	25,000	18,611	172,250
15	Jamieson-Licola Road (Construction of link-road—road clearing only)	180,000	129,323	135,773
		3,145,000	2,652,122	7,617,258

*A further \$256,244 has been expended from the Country Roads Board Fund in respect of this project.

AVAILABLE FUNDS AND EXPENDITURE.

The following statement sets out in summary form the funds referred to and the principal items upon which those funds were expended.

1966-67.		1967-68.
\$	<i>Principal Funds Available.</i>	\$ \$
	<i>Country Roads Board Fund—</i>	
1,079,532	Balance from previous year	2,299,799
25,488,779	Net Taxes	26,401,398
1,823,958	Municipal Contributions	1,845,338
6,732,314	Road Charges—Commercial Goods Vehicles Act ..	7,247,589
458,693	General Receipts	380,118
714,920	Special Contribution—Public Works Loan Application Act	700,000
<hr/>		<hr/>
36,298,196		38,874,242
	<i>Loan Fund—</i>	
833,520	Act No. 6229—State Highways and Main Roads	987,000*
	<i>Commonwealth Aid Roads 1964 Accounts—</i>	
17,273,026	For Roadworks Generally	18,380,640
11,777,063	For Rural Roads	12,514,479
<hr/>		<hr/>
29,050,089		30,895,119
	<i>Roads (Special Projects) Fund—</i>	
3,512,000	Expenditure authorized by the Treasurer	3,145,000
<hr/>		<hr/>
69,693,805		73,901,361
	<i>Expenditure.</i>	
57,457,833	Construction and Maintenance of Roads, &c.	60,995,731
1,968,227	Payment of Interest (including exchange)	2,016,439
98,048	Sinking Fund Contributions and Loan Conversion Expenses ..	97,219
74,186	Repayment to Loan Fund	76,120
493,805	Transfer to Tourist Fund	517,430
..	Transfer to Traffic Commission Fund	29,779
147,213	Contribution—Australian Road Research Board	167,186
6,953,456	General Expenditure, including Administration, Stores, and Materials, &c.	8,139,303
<hr/>		<hr/>
67,192,768		72,039,207
	Unexpended at 30th June—Cash at Credit of the Country Roads Board Fund	1,369,276
2,299,799	Balance of Authority for expenditure from the Roads (Special Projects) Fund	492,878
201,238		<hr/>
<hr/>		<hr/>
2,501,037		1,862,154
<hr/>		<hr/>
69,693,805		73,901,361

* Includes cash advance of \$35,000 in transit at 30th June, 1967.

The unexpended balance shown in the above statement comprised—

- (i) the unexpended cash balance of the Country Roads Board Fund. Claims against the fund unpaid at 30th June, 1968, were roundly \$108,000 as against similar claims amounting to approximately \$298,000 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, 1968, and fresh estimates have been submitted for approval in respect of the year 1968-69.

Moneys received under the Commonwealth Aid Roads Act and from the Loan Fund under Section 31 of the Country 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	18,949,754	7,186,508	9,191,320	..	632,268	1,939,658
Main Roads	16,488,029	12,698,354	3,789,675	..	354,732	..
By-pass Roads	7,948,124	5,006,863	2,500,000	..	..	441,261
Forest Roads	1,013,130	..	..	658,398	..	..
Tourists' Roads	2,857,203	1,736,951	470,113	650,139	..	..
Unclassified Roads ..	13,739,491	..	2,262,346	11,205,942	..	271,203
	60,995,731*	26,628,676	18,213,454†	12,514,479	987,000	2,652,122

* Includes roundly \$5,565,000 in respect of the acquisition of land for roadworks.

† Excludes contribution to Australian Road Research Board, \$167,186.

Expenditure on By-pass Roads financed from the Country Roads Board Fund, \$5,006,863, includes an amount of \$1,544,781 expended in respect of the Lower Yarra Crossing project. The crossing, which is designed to link Port Melbourne with the industrial area on the west side of the Yarra and to provide easier access to industries in the Geelong district, is being constructed by the Lower Yarra Crossing Authority. The Board is responsible for the construction of the approach roads and, by direction of the Minister of Public Works with the concurrence of the Minister for Local Government, it shares equally with the Authority in the cost of constructing and maintaining interchanges on the approaches to the crossing at Williamstown Road and Graham Street.

The Board has estimated its total commitment on this project at \$18,700,000.

GENERAL EXPENDITURE.

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

1966-67.		1967-68.	
\$		\$	\$
4,367,782	Salaries, Long Service Leave, Retiring Gratuities, &c. ..	4,807,302	
557,700	Printing and Stationery, Office and Motor Car Expenses, &c.	645,369	
267,935	Divisional Offices and Residences	415,241	
30,717	Kew Office and Laboratory—Buildings	8,422	
122,584	Kew Office and Laboratory—Building Services	139,204	
104,562	Pay-roll Tax—Staff	114,189	
1,388,216	Plant Purchase (net)	1,234,356	
372,360 Cr.	Properties Acquired for Road Deviations.. ..	Cr. 64,598	
237,349	Traffic Section Costs	234,890	
211,748	Traffic Line Marking	239,683	
44,949	Murray River Bridges and Punts	82,276	
28,552	Contribution—Metropolitan Transportation Committee— Act No. 7003	15,948	
	Contribution—Institute of Transportation Research ..	5,000	
36,890	Other—Net items (including credit balances on various absorption accounts)	345,676	
<u>7,026,624</u>		<u>8,222,958</u>	
73,168	Less—Recoup—Administrative Oncost .. ..	..	83,655
<u>6,953,456</u>			<u>8,139,303</u>

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. From 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, \$64,598 as shown above resulted from transfers of the costs of acquisition applicable to certain properties acquired prior to 1964-65 and taken over for road works in 1967-68.

CONTRIBUTIONS FROM 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 1967-68, these concessions amounted to \$1,783,793. Details are—

(a) *Permanent Works.*

Of the proportion charged to municipalities for permanent works on main roads, \$134,133, relief was granted, as provided in Act No. 6229, to the extent of \$35,435.

In respect of the interest on developmental roads, assessed at \$1,581, the whole was remitted.

The total due by the respective municipalities, \$97,117, was collected by the Board prior to 30th June, 1968.

In 1967, clarification was sought on the provisions of the Country Roads Act relating to payments by municipalities to the Treasurer in reduction of their liability in respect of contributions towards the cost of permanent works on main roads. Advice was received from the Crown Solicitor that long-standing practices followed in the calculation of such payments were not in accordance with the provisions of the Act.

In May, 1968, the Board resolved that it would seek appropriate amendments to the Country Roads Act in order to validate existing practices.

(b) *Maintenance.*

Of the sum of \$3,527,801 apportioned to municipalities, being one-third of the cost of maintenance of main roads in respect of the year 1966-67, the Governor in Council remitted \$1,746,777 as excessive maintenance not due to local traffic. The net amount received by the Board in 1967-68, \$1,748,221, included arrears of \$6,577 but did not include contributions by two municipalities amounting to \$39,380 which were in transit at 30th June, 1968.

TOURIST FUND.

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 amount so paid in 1967-68 was \$517,430.

For particulars of the operation of this Fund see page 106.

TRAFFIC COMMISSION FUND.

The Motor Car (Trailers) Act, No. 7506, which came into operation on 22nd May, 1967, repealed sub-sections 3 and 4 of Section 39 of the *Country Roads Act* 1958 dealing with payments from the Country Roads Board Fund towards the costs of installation of traffic control lights. Section 3 of the *Road Traffic Act* 1958 was also amended by this Act to provide for the establishment of the "Traffic Commission Fund" into which is paid from the Country Roads Board Fund an amount equal to one per cent. of the total amount paid into the Country Roads Board Fund pursuant to the *Motor Car Act* 1958 during the last preceding financial year. The amount so paid in 1967-68 in respect of the period 22nd May, 1967 to 30th June, 1967 was \$29,779. In addition, an amount of \$44,000 was appropriated from Consolidated Revenue (Division 15) for credit to the Fund.

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 :—

	1967-68.
	\$
Commonwealth of Australia	124,696
Rural Finance and Settlement Commission	99,098
Department of Crown Lands and Survey	50,349
Melbourne City Council	569,306
State Rivers and Water Supply Commission	26,194
Other	7,788
	<hr/>
	877,431
	<hr/>

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

At 30th June, 1968, an amount of \$21,356 was held in the Country Roads Board Special Works Account—representing unexpended balances of advances made by State government departments and State authorities for works to be carried out by the Board. A further sum of \$2,348 was held in the Commonwealth Works Account on behalf of the Commonwealth Government.

LOAN OPERATIONS.

Loan allocations amounting to \$952,000 during the year increased the Board's loan liability which, at 30th June, 1968, was as set out in the following statement :—

—	Main Roads and State Highways.	Developmental Roads.	Total.
	\$	\$	\$
Net Loan Liability at 30th June, 1967	23,660,864	6,910,194	30,571,058
<i>Add</i> —Discount and Expenses	91,455	25,768	117,223
Advances—Act No. 6229	952,000	..	952,000
	24,704,319	6,935,962	31,640,281
<i>Less</i> —Repayments	108,129	..	108,129
	24,596,190	6,935,962	31,532,152
Deduct—Increase in equity in National Debt Sinking Fund	309,835	243,462	553,297
Net Loan Liability at 30th June, 1968	24,286,355	6,692,500	30,978,855

MUNICIPALITIES FOREST ROADS IMPROVEMENT FUND.

This Fund was established 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. An amount of \$50,000 credited to the Fund in 1967–68, was provided from loan moneys under the authority of Public Works Loan Application Act No. 7649.

Recoups to municipalities for the purposes stated are made from the Fund in accordance with allocations approved by the Minister of Public Works after consideration of joint recommendations of the Forests Commission and the Country Roads Board. Total recoups to municipalities covering the period from the inception of the Fund to 30th June, 1968, amounted to \$277,064. The amount at credit to the Fund at 30th June, 1968, was \$52,936.

THE METROPOLITAN TRANSPORTATION COMMITTEE.

This Committee was established by the *Metropolitan Transportation Committee Act 1963* to advise the Governor in Council on matters relating to the planning, development, co-ordination, &c., of transport facilities within the metropolitan area.

Expenses incurred by the Committee in discharging the above functions are met from contributions received from statutory bodies in the manner and proportions determined by the Governor in Council in terms of the Act.

Expenditure for the year amounted to \$66,903 of which \$15,948 was apportioned to the Country Roads Board ; unallocated expenses of \$9,043 remained a charge to the Public Account.

ALLEVIATION OF UNEMPLOYMENT IN DROUGHT AFFECTED AREAS.

Funds provided by the Treasurer from Commonwealth grants for drought relief assistance and expended by the Board on employment-giving activities amounted to \$260,859 to 30th June, 1968.

EDUCATION.

The total cost of education met from State funds during 1967-68 was \$215,966,927. The expenditure from Consolidated Revenue 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	158,178,333		
<i>Less</i> —Expenditure specialized teaching institutions, etc.	812,996		
	157,365,337		
Treasury .. .. .	..	18,630,358	
Public Works .. .. .	..	311,411	
Agriculture .. .. .	..	70,000	
		176,377,106	
Special Appropriations .. .. .	..	5,060,056	
		181,437,162	
<i>Less</i> —Recoups of Expenditure .. .. .	..	171,332	
Net Expenditure .. .. .	..	..	181,265,830
<i>Less</i> —Revenue Collections .. .. .	..	1,719,086	
Commonwealth Grant on account of recurrent expenditure for advanced education .. .. .	..	2,346,880	
		4,065,966	
Net Cost to Revenue .. .. .	..	..	177,199,864
Loan Fund .. .. .	..	..	38,766,063
Forestry Fund .. .. .	..	..	1,000
			215,966,927

The above figures do not include the following items :—

- (a) interest and sinking fund charges on loans ;
- (b) expenditure and grants in respect of specialized teaching institutions administered by the Department of Agriculture and the Forests Commission ;
- (c) grants to nursing and pharmacy colleges and to teaching institutions concerned with qualification in the field of ancillary services to the medical profession ; and
- (d) subsidies to the University of Melbourne for bacteriological and other services.

The following comparative statement sets out receipts and expenditure during 1967-68 and the two preceding years :—

	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Consolidated Revenue—			
Expenditure	141,965,797	158,208,313	181,265,830
Receipts	1,399,934	2,603,182	4,065,966
	140,565,863	155,605,131	177,199,864
Loan Fund	31,214,269	35,038,791	38,766,063
Forestry Fund	2,000	1,000	1,000
Public Account Advance	3,571	..	..
	171,785,703	190,644,922	215,966,927

ANALYSIS OF EXPENDITURE MET BY THE STATE.

Under broad headings, the principal divisions of expenditure and revenue in the past two years were :—

Expenditure—	1966-67.	1967-68.
	\$	\$
Salaries—Teaching Service	97,697,088	110,022,813
Salaries—General Administration and Clerical Assistance	2,294,550	2,532,440
Pay-Roll Tax	2,519,510	2,984,829
Allowances to Students in Training	10,550,155	11,875,097
Workers Compensation Insurance	589,626	575,395
Travelling Expenses and Allowances, &c.	400,575	440,513
Libraries—Grants and Subsidies	231,518	383,297
School and Office Equipment and Requisites	1,784,939	1,895,177
Text Books, Publications, Examination Expenses, Postage and Telephone Expenses, Incidentals	701,211	719,460
School Cleaning and Services	5,455,847	6,054,428
Conveyance of Pupils	6,946,640	7,642,353
Bursaries, Scholarships and Maintenance Allowances	2,763,383	2,851,080
Operating Costs—Hostels and Residential Camps	855,842	954,559
Buildings and Residences—Capital Works	21,980,767	24,877,899
—Maintenance	4,714,978	5,448,149
Sites and Properties	2,337,145	2,273,261
Grants, &c.	27,544,769	34,047,997
Fees—Universities and Other	532,802	681,573
Pensions—Retired Teachers and Officers.. .. .	3,346,759	3,772,573
	<hr/>	<hr/>
	193,248,104	220,032,893
	<hr/>	<hr/>
Receipts (Net)—		
Tuition Fees	151,051	193,587
Rents	415,013	503,919
Board—Students in Training, &c.	565,815	585,270
Broken Bond Payments	112,754	143,065
Commonwealth Grant on account of recurrent expenditure for Advanced Education	1,105,900	2,346,880
Recoups from Registered Schools—Equipment	55,022	101,323
Miscellaneous	197,627	191,922
	<hr/>	<hr/>
	2,603,182	4,065,966
	<hr/>	<hr/>
Total Cost of Education met from State Funds.	190,644,922	215,966,927
	<hr/>	<hr/>

A detailed statement providing a comparative analysis of expenditure from loan and revenue moneys in respect of the various services is given in Appendix “D”.

Between the year under review and the previous year, there were marked variations in certain items. Most increases reflect the growing volume of the Department's activities. Particular reference is made to the following :—

Salaries—Teaching Service.—Expenditure under this head rose from \$97,697,088 to \$110,022,813, an increase of \$12,325,725. The following factors contributed to the increase :—

- (i) the first phase of the Teachers Tribunal determination in respect of equal pay from 1st January, 1968 ;
- (ii) a Teachers Tribunal determination effective from 2nd July, 1967 ;
- (iii) the cost of the salaries for a half-year of 2,472 graduates from Teachers' Colleges who were appointed to teaching positions on 1st January, 1968 ;
- (iv) the effect of a full year's cost of the salaries of the graduates from Teachers' Colleges appointed to teaching positions on 1st January, 1967 ; and
- (v) the effect of a full year's cost of teachers salaries following the Teachers Tribunal determinations of 1st January, 1967 and 29th January, 1967.

Audit suggestions have been made relating to the improvement of the system of internal control and communication which applies to the calculation of teachers salaries. These are receiving consideration.

Allowances to Students in Training.—The rise of \$1,324,942 was caused by increases in the number of students in training and in the rate of allowances.

School Cleaning and Services.—The increase of \$598,581 resulted mainly from wage increases and greater areas to be cleaned.

Conveyance of Pupils.—This cost increased by \$695,713 during 1967–68. The rise was attributable to the following factors :—

- (i) a revision of bus contracts arising from wage increases ;
- (ii) extensions of bus routes and new routes ; and
- (iii) an increase in secondary school allowances.

Grants, &c.—Expenditure rose from \$27,544,769 to \$34,047,997, an increase of \$6,503,228. This resulted mainly from higher grants to the three Universities and to Colleges of Advanced Education, and from the introduction of capitation grants to certain registered schools as provided in the *Educational Grants Act 1967*.

Buildings and Residences—Capital Works.—The increase of \$2,897,132 in this item related mainly to higher expenditure in Secondary and Technical Schools.

TECHNICAL SCHOOLS AND COLLEGES OF ADVANCED EDUCATION.

Funds provided from Consolidated Revenue and the Loan Fund for technical schools and colleges of advanced education are augmented by receipts from tuition fees and other forms of school revenue. In addition, the Commonwealth makes funds available towards meeting the costs of technical training and courses in advanced education and towards providing additional science laboratories and equipment.

The total of such funds is expended on salaries of full-time teachers employed by school and college councils, salaries of part-time instructors, salaries and wages of office and maintenance staffs, other operating costs and capital items. Salaries of other technical teachers, that is, those appointed under the Teaching Service Act, are met from the Education Department salaries vote.

The following statement, to be read in conjunction with Appendix “D”, combines Treasury, school and college accounts to show the application of the funds available for technical education. The statement does not include figures for the Victoria Institute of Colleges.

1966–67.	<i>Source of Funds—</i>	1967–68.
\$		\$ \$
	State Funds—	
26,683,867	Consolidated Revenue (net)	30,861,126
7,734,491	Loan Fund	8,974,659
		<hr/> 39,835,785
	Funds provided by the Commonwealth—	
2,794,243	Science Laboratories and Technical Training	4,402,387
1,085,295	Advanced Education—Recurrent expenditure	2,301,245
647,854	—Capital expenditure	2,368,113
	—Library materials	97,000
		<hr/> 9,168,745
	Revenue collected by Technical Schools—	
1,980,675	Tuition Fees	2,413,947
537,519	Other	617,592
		<hr/> 3,031,539
<hr/> 41,463,944	Total Available Funds	<hr/> 52,036,069
	<i>Application of Funds—</i>	
	Salaries (including pay-roll tax)—	
22,671,742	Teachers and Part-time Instructors	26,059,498
2,848,803	Administrative and Maintenance Staff	3,090,561
		<hr/> 29,150,059
9,704,847	Erection and Maintenance of Buildings	14,764,946
425,348	Purchase of Sites and Properties	523,593
1,200,771	Equipment	2,401,371
1,828,020	General Costs of Classes	2,182,412
1,195,758	Administrative and Other Costs	1,369,616
		<hr/> 3,552,028
1,419,686	Scholarship, Maintenance and Conveyance Allowances to Pupils	1,566,642
<hr/> 41,294,975		<hr/> 51,958,639
49,026	Less Rents, &c., Received by Education Department	58,947
<hr/> 41,245,949		<hr/> 51,899,692
217,995	Plus Surplus for Year (School Maintenance Accounts)	136,377
<hr/> 41,463,944	Total Funds Applied	<hr/> 52,036,069

TRAINING OF TEACHERS.

Allowances paid to students in training represent approximately two-thirds 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 higher for students accommodated in hostels, as revenue from board does not fully cover the cost of operation. In the following figures, showing the trend over the last three financial years, average per capita costs (excluding capital items and grants to the Kindergarten Training College) are based on the average number of students in training during each of those years :—

—	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Cost of conducting teachers' colleges	13,264,016	14,891,459	17,031,002
Cost of conducting hostels for students in training ..	337,175	351,956	435,508
	13,601,191	15,243,415	17,466,510
Average number of students in hostels	1,516	1,514	1,510
Average number of students accommodated privately ..	6,402	6,954	7,990
Average total number of students	7,918	8,468	9,500
	\$	\$	\$
Average annual <i>per capita</i> cost of training (exclusive of accommodation)	1,675	1,757	1,793
Average additional annual <i>per capita</i> cost of training for those students accommodated in hostels	222	232	288

CONVEYANCE OF PUPILS.

School bus services and pupils' travelling allowances are annually increasing costs. The following is a comparative analysis of expenditure on these services :—

—	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Payments for contractors providing special bus transport services for pupils	5,439,206	5,891,517	6,428,061
Allowances not exceeding 10c per day for eligible pupils attending primary schools	177,914	183,108	182,144
Allowances for eligible pupils attending post-primary schools	796,392	864,923	1,024,313
Allowances for eligible pupils under reciprocal arrangements with other States	7,308	7,092	7,835
	6,420,820	6,946,640	7,642,353

COMMONWEALTH CONTRIBUTIONS TO STATE EDUCATION.

Pursuant to the provisions of the various Commonwealth Acts relating to payments to the States specifically for education, the following grants were received by Victoria in 1967-68 :—

	\$	\$
To Universities, Affiliated Residential Colleges and Teaching Hospitals for recurrent and capital expenditure	17,164,332	
To Universities for research projects	710,399	
On account of Science Laboratories	3,553,200	
On account of Technical Training	4,984,020	
On account of recurrent expenditure for advanced education	2,346,880	
For college building projects and equipment of a capital nature—advanced education	2,452,800	
For library material—advanced education	97,000	
For building projects in connexion with Teachers' Colleges	500,000	
	<hr/>	
	31,808,631	
	<hr/>	
	\$	\$
Disbursements were as follows :—		
Universities—		
Melbourne	8,559,658	
Monash	6,469,463	
La Trobe	2,845,610	
	<hr/>	17,874,731
Science Laboratories—		
Registered Schools	1,520,961	
State Schools	1,801,654	
	<hr/>	3,322,615
Technical Training—		
School Buildings and Equipment		4,280,150
Advanced Education—		
Recurrent Expenditure—Payments to Consolidated Revenue	2,346,880	
Technical College Buildings, etc.	2,368,113	
Grants for library material	97,000	
	<hr/>	4,811,993
Teachers' Colleges—		
College Buildings and Equipment		50,389
		<hr/>
		30,339,878
		<hr/>
Balance Unexpended		1,468,753
		<hr/>

The above statement excludes certain receipts and payments relating to specialized teaching institutions.

The unexpended balance of \$1,468,753, together with \$42,331 relating to other specialized institutions excluded from the above statement, is held in various State Grants Trust Accounts in the Treasury, thereby increasing the amount so held from \$947,203 at the beginning of the financial year to \$2,458,287 at 30th June, 1968.

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.

Details of the income and expenditure for the calendar year 1967 compared with those of the previous two years are :—

	1965.		1966.		1967.	
<i>Income—</i>	\$	\$	\$	\$	\$	\$
State Government Grants—						
General purposes	5,103,862		5,351,399		5,973,911	
Special purposes	1,401,714		4,745,008		1,655,813	
	<u>6,505,576</u>		<u>10,096,407</u>		<u>7,629,724</u>	
Commonwealth Government Grants—						
General purposes	4,637,568		4,795,048		5,265,000	
Special purposes	2,175,600		3,314,684		3,853,866	
	<u>6,813,168</u>		<u>8,109,732</u>		<u>9,118,866</u>	
Fees		3,585,684		3,649,642		4,276,881
Donations and bequests ..		1,298,232		1,577,426		1,416,143
Interest, dividends, rents ..		488,740		438,311		578,721
Dental Hospital Building on account of Principal and Interest		211,582		211,646		211,643
Other income		641,300		916,894		775,447
		<u>19,544,282</u>		<u>25,000,058</u>		<u>24,007,425</u>
 <i>Expenditure—</i>						
Salaries and associated expenditure		12,458,510		12,915,713		14,068,920
Apparatus and books		1,845,876		2,158,129		2,270,467
Buildings, land, grounds and vehicles		3,156,192		4,650,201		6,529,461
Examination expenses		52,150		50,945		61,356
Special grants, and fees to affiliated institutions		639,860		617,597		703,123
General expenses		1,148,630		1,323,254		1,410,120
Interest and Redemption—Dental Hospital loan		211,644		211,644		211,643
		<u>19,512,862</u>		<u>21,927,483</u>		<u>25,255,090</u>
 <i>*Balance—</i>						
General Account		<i>Surplus</i> 25,324		<i>Surplus</i> 2,854,887		<i>Deficit</i> 1,621,388
Trust Fund		<i>Surplus</i> 6,096		<i>Surplus</i> 217,688		<i>Surplus</i> 373,723
		<u><i>Surplus</i> 31,420</u>		<u><i>Surplus</i> 3,072,575</u>		<u><i>Deficit</i> 1,247,665</u>

* Takes into consideration inter-fund transfers.

In 1967, as in previous years, Government grants constituted the major proportion of the income of the University.

Because of the requirements of the Commonwealth legislation regarding building grants, the State was required to pay to the University prior to the end of the 1964-66 Triennium its grants for individual projects in relation to that Triennium. As a result, the total of State Government grants for special purposes received by the University in 1966 was substantially in excess of the sums made available in 1965 and 1967.

The receipt of these grants in 1966, a large proportion of which was in excess of current requirements to meet building expenditure, was a major factor contributing to the annual surplus on general account in that year of \$2,854,887 and, in turn, the expenditure of these funds in 1967 contributed largely to the deficit of \$1,621,388 for the year ended 31st December, 1967. Unexpended building grants were reduced from \$3,221,001 at 31st December, 1966 to \$829,188 at 31st December, 1967.

Other factors contributing to the annual deficit were the increased costs of salaries due largely to the effect of academic and other salary increases and the reduction in the sum held in suspense pending recoup or adjustment.

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 :—

	1966.	1967.
	\$	\$
Accumulated deficit in General Fund—		
At close of year	754,786	734,786
At beginning of year	586,846	754,786
	<hr/>	<hr/>
General Fund—Annual Deficit	167,940	
—Annual Surplus		20,000
Add to Surplus or Deduct from Deficit excess of annual income over expenditure on account of—		
Lady Northcote Fund	255	—
Medical Faculty Expansion Fund		109,189
Conservatorium Fund	2,047	2,302
Sundry Special Funds	2,557,190	..
Sundry Research Funds	538,897	..
	<hr/>	<hr/>
	3,098,389	111,491
	<hr/>	<hr/>
	2,930,449	131,491
Deduct from Surplus or Add to Deficit excess of annual expenditure over income on account of—		
Medical Faculty Expansion Fund	35,382	..
Salaries Appropriation Account	40,180	..
Lady Northcote Fund		56
Sundry Special Funds		1,551,884
Sundry Research Funds		200,939
	<hr/>	<hr/>
	75,562	1,752,879
General Account—		
Net Annual Surplus	2,854,887	
„ „ Deficit		1,621,388
	<hr/>	<hr/>

The accumulated deficit on the General Fund was reduced to \$734,786 as at 31st December, 1967 by the appropriation of \$20,000 for this purpose from unexpended departmental general fund allocations. Appropriations from the General Fund to special funds to meet future expenditures were as follows :—

	\$
Apparatus Appropriation	159,297
Salaries Appropriation	261,319
Provision for Long Service Leave	2,803
Visiting Lecturers Fund	14,000
	<hr/>
	437,419
	<hr/>

Expenditure in suspense pending recoup or adjustment decreased by \$485,734 to \$1,449,403. Thus at 31st December, 1967, the amount overdrawn on General Fund together with the sum remaining in suspense amounted to \$2,184,189 compared with \$2,689,923 at the close of the previous year. The sources from which finance was provided to meet these sums and those of the year 1965 are shown hereunder :—

	1965.		1966.		1967.	
	\$	\$	\$	\$	\$	\$
Unexpended Balances—						
Funds for buildings other than those already purchased or erected ..	712,660		3,221,001		829,188	
Research Funds	603,940		1,158,450		892,858	
Apparatus Appropriation	121,658		119,729		279,026	
Salaries Appropriation .. ..	..		..		261,319	
Other Funds	639,224		823,909		991,259	
	<u>2,077,482</u>		<u>5,323,089</u>		<u>3,253,650</u>	
Current Liabilities	1,084,600		1,158,152		1,202,403	
	<u>3,162,082</u>		<u>6,481,241</u>		<u>4,456,053</u>	
 Less—Current Assets—						
Cash	203,360		4,145		57,744	
Sundry Debtors	637,676		775,173		1,206,620	
Investments—Fixed Deposits .. ..	..		1,000,000		300,000	
Short-term Loans .. ..	..		2,012,000		707,500	
	<u>841,036</u>		<u>3,791,318</u>		<u>2,271,864</u>	
	<u>2,321,046</u>		<u>2,689,923</u>		<u>2,184,189</u>	

Monash University.

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

	1965.	1966.	1967.
	\$	\$	\$
<i>Income—</i>			
State Government Grants—			
General purposes	4,380,190	4,832,748	5,509,622
Special purposes	2,147,880	1,508,917	1,336,287
	6,528,070	6,341,665	6,845,909
Commonwealth Government Grants—			
General purposes	2,923,194	3,358,000	3,995,000
Special purposes	2,148,000	1,494,154	1,500,206
	5,071,194	4,852,154	5,495,206
Students' Fees including Union fees for operational purposes	1,128,864	1,525,454	2,083,521
Union fees for Union Development	57,672	80,418	99,308
Grants and Donations including Public Appeals	750,848	708,274	663,351
Other income	86,556	132,552	260,012
	2,023,940	2,446,698	3,106,192
Total Income	13,623,204	13,640,517	15,447,307
<i>Expenditure—</i>			
Salaries and associated expenditure	5,182,954	6,495,834	8,137,186
Books, equipment, furniture, &c.	1,488,490	1,866,442	1,707,617
Maintenance, &c., buildings, land, grounds, vehicles	242,392	521,100	587,260
Student services	161,512	183,561	257,305
General expenditure	1,620,700	1,693,339	2,110,330
Site development	305,236	309,190	132,604
New buildings	3,658,062	1,554,374	2,266,609
Union development—Purchase of land, &c.	142,656	229,983	Cr. 55,756
Bookshop .. .. .	..	23,620	23,303
Total Expenditure	12,802,002	12,877,443	15,166,458
<i>Balance—</i>			
	1965.	1966.	1967.
	\$	\$	\$
Recurrent Funds	<i>Surplus</i> 767,782	<i>Surplus</i> 72,020	<i>Surplus</i> 68,198
Capital Funds	<i>Deficit</i> 186,860	<i>Surplus</i> 333,247	<i>Deficit</i> 157,512
Research Funds	<i>Deficit</i> 46,842	<i>Surplus</i> 157,755	<i>Deficit</i> 6,416
Grants and Donations.. .. .	<i>Surplus</i> 406,900	<i>Surplus</i> 275,211	<i>Surplus</i> 86,123
Other Funds	<i>Deficit</i> 119,778	<i>Deficit</i> 75,159	<i>Surplus</i> 290,456
Net Surplus	821,202	763,074	280,849

The accumulated balance as at 31st December, 1967, amounted to \$2,836,331. Details are:—

						\$	\$
Unexpended Capital Funds	..	..	..	..	..	748,091	
Grants and Donations	..	..	..	..	..	898,950	
Recurrent Funds	..	..	..	..	..	1,122,992	
Research Funds..	..	..	..	..	..	149,809	
						<u>2,919,842</u>	
<i>Less—Accumulated Deficit on account of Other Funds</i>	..	..			..		83,511
							<u>2,836,331</u>
Net Credit	..	..	..	..	..

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

The rise in students' fees reflects both the increase in rates of fees payable for 1967 and the growth of the University over the three years. Student numbers increased from 4,283 in 1965 to 5,924 in 1966 and to 7,120 in 1967. Increased expenditure on salaries is consistent with the growth in full-time staff which over the three years was 1,201, 1,623 and 1,796 and with the increase in academic salaries from 1st July, 1967.

The item Bookshop, \$23,303, shown in 1967 under expenditure represents the Bookshop deficit on a cash basis. After adjustments on account of depreciation and purchase of furniture, &c., the deficit on a commercial accrual basis was \$22,265.

La Trobe University.

The statement below gives details of the income and expenditure of the University for the calendar years 1965, 1966, and 1967. As the first students did not attend the University until 1967, the years 1965 and 1966 were formative years only. In 1967, the number of students enrolled totalled 552 of whom 496 were undergraduates. The number of staff employed at 31st December, 1967, was 303.

						1965.	1966.	1967.
						\$	\$	\$
<i>Income—</i>								
State Government Grants—								
General Purposes	..	..	..	..	..	194,000	402,000	897,359
Special Purposes	..	..	..	..	..	376,000	1,501,700	2,224,750
						570,000	1,903,700	3,122,109
Commonwealth Government Grants—								
General Purposes	..	..	..	..	..	106,000	218,000	554,000
Special Purposes	..	..	..	..	..	376,000	1,501,700	995,999
						482,000	1,719,700	1,549,999
Academic Fees	..	..	..	..	..	..	..	129,607
Grants and Donations	..	..	..	..	..	..	18,080	38,088
Other Income	..	..	..	..	..	..	19,103	28,220
						..	37,183	195,915
Total Income	..	..	..	..	..	1,052,000	3,660,583	4,868,023
<i>Expenditure—</i>								
Salaries and Associated Expenditure	..	..	..	..	..	60,958	400,109	1,208,579
Books, Equipment and Furniture	..	..	..	..	..	179,708	265,580	227,092
Maintenance, &c.—Buildings, Land, Grounds, Vehicles	..	..	..	..	..	9,614	26,764	61,782
General Expenditure	..	..	..	..	..	43,482	178,900	250,550
Site Development	..	..	..	..	..	163,936	706,805	910,077
New Buildings	..	..	..	..	..	78,378	1,832,256	3,071,567
Residential Colleges (Net)	..	..	..	..	..	..	3,737	7,450
Acquisitions	..	..	..	..	..	..	51,403	..
						536,076	3,465,554	5,737,097
Total Expenditure	..	..	..	..	..	536,076	3,465,554	5,737,097
<i>Balance—</i>								
						1965.	1966.	1967.
						\$	\$	\$
Recurrent Funds	..	..	<i>Surplus</i>	6,238	<i>Deficit</i>	195,964	<i>Deficit</i>	73,504
Building Funds	..	..	<i>Surplus</i>	509,686	<i>Surplus</i>	408,953	<i>Deficit</i>	650,439
Research Vote	..	..	..	..	<i>Surplus</i>	1,194	<i>Surplus</i>	60
Grants and Donations	..	..	..	..	<i>Surplus</i>	16,897	<i>Surplus</i>	9,272
Other Funds	..	..	..	..	<i>Deficit</i>	36,051	<i>Deficit</i>	154,463
			<i>Surplus</i>	515,924	<i>Surplus</i>	195,029	<i>Deficit</i>	869,074

The item, Residential Colleges (Net) \$7,450, represents the net cost of operations for the year of Glenn College (\$7,071) and initial expenditure in connexion with Menzies College.

The Accumulated Funds at 31st December, 1967, showed a net deficit of \$158,121 and were as detailed below :—

						\$	\$
Building Funds	..	..	..	..	..	<i>Surplus</i>	268,200
Research Vote	..	..	..	..	..	<i>Surplus</i>	1,254
Grants and Donations	..	..	..	..	..	<i>Surplus</i>	26,169
							295,623
Recurrent Funds	..	..	..	..	..	<i>Deficit</i>	263,230
Other Funds	..	..	..	..	..	<i>Deficit</i>	190,514
							453,744
						<i>Deficit</i>	158,121

Victoria Institute of Colleges.

The Institute's Income and Expenditure accounts for the calendar years 1966 and 1967 are detailed below :—

	1966.	1967.
	\$	\$
<i>Income—</i>		
Government Grants—		
State	46,000	76,250
Commonwealth .. .. .	..	41,210
Gifts and Donations .. .. .	..	2,000
Other	60	269
	46,060	119,729
 <i>Expenditure—</i>		
Salaries and Associated Expenditure	21,272	61,030
Books, Equipment and Furniture	5,863	16,216
Maintenance—Offices, Vehicles, &c.	7,823	13,735
Office Expenditure	6,968	8,804
Travelling, &c.	3,327	2,041
General Expenditure	979	1,134
	46,232	102,960
 <i>Balance—</i>	<i>Deficit</i> 172	<i>Surplus</i> 16,769

The Institute received its initial grant from the Commonwealth in 1967 under the provisions of the *States Grants (Advanced Education) Act 1967*.

Accumulated Funds as at 31st December, 1967, amounted to \$17,295.

FORESTS COMMISSION.

EXPENDITURE.

In the year under review, expenditure, excluding Debt Charges, amounted to \$8,833,928. Under broad headings, the principal divisions of expenditure in the past two years were :—

	1966-67.	1967-68.
	\$	\$
Appropriations—		
Salaries and Payments in the nature of Salary	2,175,058*	2,456,297
Pay-roll Tax	56,177	61,737
Pensions	112,980	140,846
School of Forestry	35,000	38,800
Other Administrative Expenses	169,695	166,000
Utilization Forest Produce	817,837	701,146
Business Undertakings	5,775	..
Contribution to the National Sirex Fund	41,700	41,700
Sundry	36,209	48,270
	<u>3,450,431</u>	<u>3,654,796</u>
Forestry Fund—		
Forest Protection	533,367	534,490
Silvicultural	60,896	30,542
Road Works	435,779	337,070
Plantations and Nurseries	87,423	75,907
Maintenance of Buildings	53,464	49,579
Purchase and Maintenance Motor Vehicles and Equipment	518,553	475,081
Utilization	113,886	105,331
Supervision	307,183	283,040
Operating and Other Expenses	565,270	528,991
	<u>2,675,821</u>	<u>2,420,031</u>
Loan Fund—		
Land	179,459	100,421
Fire Protection	364,994	731,682
General Operations	209,398	210,639
Extraction Roads	264,397	237,635
Plantations	1,015,469	1,295,027
Buildings	87,692	134,199
Plant and Machinery	11,025	25,235
Advances—Farm Forestry	19,558	24,263
	<u>2,151,992</u>	<u>2,759,101</u>

* Includes amount charged to Treasury Vote—Division 48A, \$4,810.

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

	1966-67.		1967-68.	
	\$	%	\$	%
Appropriations	3,450,431	41·7	3,654,796	41·4
Forestry Fund	2,675,821	32·3	2,420,031	27·4
Loan Fund	2,151,992	26·0	2,759,101	31·2

Appropriations.

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 1966-67, these totalled \$541,866 and in 1967-68, \$512,682. The decrease between the two years was due to the adjustment of salary charges between Vote and other Funds.

Expenditure on business undertakings has ceased as a result of the sale of the State Sawmill at Erica.

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, 1968, Victoria had contributed as its share the sum of \$250,200. From the Fund, Victoria had received, up to 30th June, 1968, a total of \$1,477,100 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, 1968, amounted to \$1,441,812 and the balance then remaining in the Account was \$35,288.

Forestry Fund.

The decrease shown in expenditure from the Forestry Fund for the current year arises from the fact that, in 1966-67, funds amounting to \$226,551 were used to meet certain expenditure which, if loan moneys had been available, might have been met from Loan Fund.

Loan Fund.

Increased expenditure under the heading of "Fire Protection" was due mainly to the use of loan moneys amounting to \$378,348 to meet part of the total cost of \$521,727 for fire suppression. In previous years, fire suppression costs were met from the Forestry Fund.

The Commonwealth, under its *Softwood Forestry Agreements Act 1967*, may advance money for the purpose of increasing the rate of softwood planting in Australia during the next thirty-five years. The Schedule to the Act contains the programme of planting by this State until 30th June, 1971, the terms on which the advances are made, the interest payable and the terms of repayment. Expenditure by the State in 1967-68 amounted to \$896,357, and is included under "Plantations" in the statement of expenditure.

Farm forestry advances are made under the *Forests Act 1958*, which provides for amounts to be advanced to property owners for the planting of softwood trees. The maximum advance is \$5,000 repayable over 25 years with repayments commencing 12½ years after the advance is made. The advances are interest-free for the first twelve years and thereafter bear interest at the rate of 5 per cent. per annum. Advances of \$24,263 were made during the current year and total advances to 30th June, 1968, amounted to \$43,821.

Since the inception of the use of loan funds for forestry purposes, a sum of \$51,374,394 has been so applied from this source. After allowing for discount, expenses and amounts redeemed or repaid, the Loan Liability at 30th June, 1968, was \$44,858,071, towards which there was an equity of \$4,201,410 in the National Debt Sinking Fund.

RECEIPTS.

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

	1966-67.	1967-68.
	\$	\$
Rents, etc.	117,340	111,733
Royalties	4,739,662	4,760,103
Sale of Forest Produce	876,408	727,119
Other	146,303	110,851
	<u>5,879,713</u>	<u>5,709,806</u>

Between the two years, there was a net decrease of \$169,907 in collections which was attributable mainly to decreases under the headings Sale of Forest Produce and Other. The decreases arose from :—

- (i) Fall in demand for forest produce.
- (ii) Cessation of revenue from the State Sawmill due to the sale in the previous year of the remaining current assets.

NET COST.

The net cost of the Commission for 1967-68, based on receipts and expenditure in the Consolidated Revenue Account, was \$2,492,290.

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

1966-67.	<i>Receipts.</i>	1967-68.	1966-67.	<i>Expenditure.</i>	1967-68.
\$		\$	\$		\$
5,879,713	As detailed	5,709,806	28,241	Commissioners' Salaries	33,300
1,988,459	Net Cost	2,492,290	3,309,210	Votes	3,480,650
			112,980	Pensions	140,846
			2,428,501	Grants to the Forestry Fund	2,435,918
			1,886,529	Interest and Exchange thereon	2,005,773
			1,834	Loan Conversion Expenses	1,295
			100,877	National Debt Sinking Fund	104,314
			<u>7,868,172</u>		<u>8,202,096</u>
<u>7,868,172</u>		<u>8,202,096</u>			

TRUST ACCOUNTS.

Forests Stores Suspense Account.

The terms of operation of the Stores Suspense Account are set out in Section 31 of the *Forests Act 1958*.

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 articles concerned and the appropriate works or other allocation debited.

Costs of repairs to 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 at credit of the Forests Stores Suspense Account in the Treasurer's books at 30th June, 1968, was \$99,195.

Forests Plant and Machinery Fund.

Section 32 of the *Forests Act 1958* 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 for the year :—

	\$
Balance at 1st July, 1967	249,146
Plant Hire	224,456
Sale of Plant	11,643
	<hr/>
	485,245
Less Expenditure on Renewals	49,358
	<hr/>
Balance at 30th June, 1968	435,887
	<hr/>

Forest Equipment Hire Account.

This Account facilitates accounting when the Forests Commission carries out work for other Government Departments, Public Authorities and private individuals.

Credits to the Account during the year amounted to \$96,046 and expenditure charged totalled \$96,850. At the close of the year, the balance at credit of the Account was \$53,325.

GOVERNMENT PRINTER.

Income from printing, sales of publications, &c., for the year amounted to \$3,080,131 compared with \$3,161,626 in 1966-67.

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 loss of \$26,605 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 State Tender Board ; and
- (v) the practice of valuing publications on hand at marked selling prices without due allowance for discount on subsequent purchases by agents.

	1966-67.	1967-68.
	\$	\$
<i>Item.</i>		
Materials	952,488	968,049
Salaries and Wages (including Pay-roll Tax)	1,663,461	1,637,297
Insurance—Workers Compensation	5,809	7,290
Insurance—Fire	3,924	2,929
Power, Fuel and Light	37,892	38,145
Repairs to Buildings and Plant	31,904	28,459
Sundry Charges	52,682	48,431
Postage and Incidentals	25,232	32,719
Depreciation on Plant and Machinery	96,462	89,813
Work—Other than by Government Printer	187,636	253,604
	3,057,490	3,106,736
Profit	104,136	—
Loss	—	26,605
Turnover	3,161,626	3,080,131

The total cost of plant and machinery met from loan funds to 30th June, 1968, was \$1,371,130. 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 1967-68, the balance in the Fund at 30th June, 1968, remained at \$237,470.

HEALTH.

The Department of Health 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, 1968, excluding that of the Mental Hygiene Branch and the contributions to the Hospitals and Charities Fund, which are discussed elsewhere in the Report, was \$13,645,059.

This expenditure consists of the following charges :—

	\$	\$
Departmental Votes—		
Health—Salaries, General Expenses, &c. .. .. .	.. .. .	12,858,101
Treasury—Pay-roll Tax	51,677	
Treasury—Workers Compensation Insurance	18,859	
	70,536	
Public Works—Maintenance, Rents, &c. .. .. .	.. .. .	77,092
Special Appropriations—Salary of Director of Tuberculosis, and Pensions .. .. .	.. .. .	639,330
		13,645,059

Receipts (excluding those of the Mental Hygiene Branch) totalled \$3,606,208, and the net cost of health services to revenue was \$10,038,851, an increase of \$612,780 compared with the previous year.

For the purpose 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 :—

	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Rentals—Lincoln House .. .. .	.. .. .	.. .. .	147,000
Registration and other Fees	87,774	90,941	111,269
Other Receipts	15,701	21,069	21,802
	103,475	112,010	280,071

Expenditure in the same period was :—

	\$	\$	\$
(a) From Revenue—			
Central Administration	702,718	789,966	889,001
Cancer Institute	1,700,000	1,830,000	1,840,000
Infectious Diseases	302,641	286,357	291,829
Venereal Diseases	66,719	66,002	75,423
Inspection of Buildings, Food Supervision, &c.	628,271	700,805	728,885
Miscellaneous Grants	447,900	596,795	662,458
Subsidies—Home Help Scheme, Clubs for Elderly People, &c.	850,908	882,152	907,143
	4,699,157	5,152,077	5,394,739
(b) From Loan—			
Cancer Institute	226,275	145,974	385,000
Other*	1,014,634	633,856	475,132
	1,240,909	779,830	860,132

* Expenditure on "Lincoln House" school for ancillary medical services decreased from \$696,241 in 1965-66 to \$210,246 in 1966-67.

Tuberculosis Branch.

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

	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Commonwealth recoup under Health Act 1958	3,010,388	3,220,252	3,181,176
Other receipts	139,398	139,388	130,918
	3,149,786	3,359,640	3,312,094

Expenditure for the same period is compared thus :—

	\$	\$	\$
<i>(a) From Revenue—</i>			
Operation of sanatoria, tuberculosis wards, bureaux, mass X-ray services, &c.	3,597,010	3,831,345	3,820,679
<i>(b) From Loan—</i>			
State sanatoria and clinics, &c.	340,080	235,715	178,780

Progress payments to 30th June by the Commonwealth on account of 1967-68 maintenance expenditure amounted to \$3,128,319. Reimbursement of the balance outstanding at 30th June, 1968, is in course.

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 :—

	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Loan	136,877	25,693	7,593
Revenue	25,935	49,848	1,426
	162,812	75,541	9,019

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 :—

	1965-66.	1966-67.	1967-68.
	\$	\$	\$
<i>Expenditure—</i>			
School Medical and Dental Services, &c.	1,446,802	1,593,286	1,661,331
Subsidies	2,139,510	2,335,030	2,768,310
	3,586,312	3,928,316	4,429,641
<i>Revenue</i>	11,993	14,017	14,043
<i>Net Expenditure</i>	3,574,319	3,914,299	4,415,598

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	350,000	400,000
Other	6,992	7,637	8,671
	326,992	357,637	408,671

Mental Hygiene Branch.

The cost of the services provided by this Branch was, in 1967-68, defrayed from revenue. Gross expenditure for non-capital purposes was \$20,830,833, and after taking into consideration receipts of \$2,155,213, the net cost of mental health services was \$18,675,620. The gross expenditure comprised charges to—

	\$	\$
Departmental Votes—		
Health—Salaries and payments in the nature of salary ..	15,377,361	
General Expenses	5,270,605	
	20,647,966	
Treasury—Workers' Compensation Insurance		71,771
Public Works—Maintenance and Rents		111,096
		20,830,833

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

	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Maintenance of patients—principally Commonwealth payments on account of pensioners in Training Centres and repatriation patients	1,159,156	1,268,280	1,543,484
Deduction from Salaries for Accommodation and Meals*	475,897	463,982	327,094
Sales of Meal Tickets			45,718
Commonwealth Pharmaceutical Benefits	279,636	110,481	192,821
Sales of produce	25,154	25,086	19,985
Other	44,719	37,476	26,111
	1,984,562	1,905,305	2,155,213

* A new method of charging for meals supplied to non-resident members of the staffs of mental hospitals, which came into effect from 3rd December, 1967, has caused a considerable decrease in "Deduction from Salaries for Accommodation and Meals". Under the new arrangements, non-resident staff members purchase meal tickets.

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

Item.	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Salaries	10,988,015	12,209,747	13,244,535
Overtime and penalty rates	2,046,603	1,904,997	2,016,806
Payments in lieu of long service leave	81,901	111,789	116,020
Total Payments in Nature of Salary	13,116,519	14,226,533	15,377,361
Provisions and extra articles	2,105,047	2,158,778	2,211,949
Clothing, bedding, &c.	408,796	423,654	469,214
Stores, &c.	392,568	411,125	472,963
Fuel, light, and water	739,995	766,000	815,993
Drugs and medicines	519,999	535,999	577,149
Repairs, maintenance and rents	173,186	135,970	111,096
Boarded-out patients	205,000	187,360	176,480
Other	598,179	642,487	618,628
Total	18,259,289	19,487,906	20,830,833

Expenditure from the Loan Fund during 1967–68 on buildings and equipment of State institutions amounted to \$4,790,240. In addition, moneys were provided for other institutions from the Funds and for the purposes shown hereunder :—

	\$	\$
Mental Hospitals Fund—		
University of Melbourne—Mental Health Research	14,000	
Other Institutions—Grants for Maintenance	494,231	
	<hr/>	508,231
Loan Fund—		
Other Institutions—Grants for Capital Works .. ..	..	195,304
		<hr/>
		703,535
		<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 provided that the Commonwealth would pay to the State a sum equal 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. This aid was extended by the provisions of Commonwealth Act No. 74 of 1967 which covers the period from 1st July, 1967, to 30th June, 1970. Pursuant to this authority, the State received in the year under review the sum of \$1,381,403 which, in effect, was part recoup of the sums expended by the State during the year from its Loan Fund on Mental Health projects.

HOSPITALS AND CHARITIES COMMISSION.

The Hospitals and Charities Commission, constituted under the *Hospitals and Charities Act 1958*, is responsible for the administration of the Hospitals and Charities Fund out of which subsidies are granted to hospitals, benevolent societies and other institutions in accordance with procedures prescribed in the Act. Among its other duties, the Commission is required to supervise the administration and management of subsidized institutions and benevolent societies.

Subject to administrative and other costs, a total of \$44,399,235 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	11,660,654
Special Appropriation, Act No. 6390—Tattersall Receipts	5,585,270
Annual Appropriation, Division 72	23,123,000
Deductions from Premiums—Motor Car Third Party Insurance	1,744,725
	43,713,649
Balance forward from 1966-67	685,586
	44,399,235

Particulars of expenditure for 1966-67 and 1967-68 are shown in the following statement:—

	1966-67.	1967-68.
	\$	\$
Maintenance—		
Hospitals	35,194,121	37,090,721
Benevolent Homes & Hospitals for the Aged	2,718,954	2,927,843
Children's Homes	377,117	379,179
Foundling Homes and Refuges	245,109	245,500
Philanthropic Organizations	264,383	242,350
District Nursing Societies	236,931	257,456
Medical Dispensaries	47,331	47,445
Ambulance Services	641,054	759,000
Hostels for the Aged	137,014	144,061
Training Schools (Nursing, &c.)	419,216	483,043
Other Institutions	210,041	212,776
Public Risk Insurance	65,208	66,130
Hospitals Superannuation Board	22,896	18,557
	40,579,375*	42,874,061
Less Refund from Commonwealth Blood Transfusion Service	276,089	175,671
	40,303,286	42,698,390
Other—		
Costs Associated with Totalizator Receipts	37,547	44,625
Training of Officers	26,238	33,171
Recruitment and Training of Nurses	74,095	84,017
Post-graduate Training of Nurses	33,610	35,180
Administration Costs	524,048	550,600
Hospital Magazine	1,935	..
	41,000,759	43,445,983

*Includes an amount of \$1,000,000 (Hospitals, \$976,800 ; Hospitals for the Aged, \$21,200 ; and Ambulance Services, \$2,000) paid by way of grant towards reduction of accumulated deficits.

The balance in the Fund at 30th June, 1968 was \$953,252.

Details of payments from the Fund to individual institutions are given on pages 193 to 195 of the Treasurer's Finance Statement.

In addition to the assistance provided to hospitals and other institutions shown in the statement of expenditure, payments have been made to many of these bodies under 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 \$12,534,993, which included \$110,000 representing State Government donations to building appeals of certain of the institutions.

Details of payments from loan moneys to individual institutions are shown in the Treasurer's Finance Statement, pages 189 to 192.

LABOUR AND INDUSTRY.

This Department functions under the authority of the *Labour and Industry Act 1958* and is responsible for the supervision and regulation of factories, shops and other premises. Various Wages Boards, the Apprenticeship Commission, the Industrial Appeals Court and the Industrial Safety Advisory Council are also administered within the Department.

Expenditure during the last two years is compared hereunder :—

		1966-67.	1967-68.
		\$	\$
Salaries and Payments in the nature of Salaries		992,660	1,069,270
General Expenses		191,038	204,264
Other Services		27,503	41,746
Pay Roll Tax		24,278	27,095
Workers Compensation Insurance		4,961	4,938
		1,240,440	1,347,313

Revenue received during the corresponding two years was as follows :—

		\$	\$
Registration and Inspection Fees—			
Factories and Shops, Lifts and Cranes, &c.		554,755	759,204
Boilers		172,869	199,064
Other		7,098	12,140
		734,722	970,408

Increases in fees payable for the registration of factories and shops, which came into force as from 1st January, 1968, mainly accounted for the increased revenue in 1967-68.

LANDS AND SURVEY.

The Department of Crown Lands and Survey 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 \$4,176,881 compared with \$3,948,339 in the previous year. Details are as set out hereunder :—

	1966-67.	1967-68.
	\$	\$
Territorial Revenue—		
Fees for various licences and leases, &c.	1,846,806	1,927,694
Proceeds of sales of land	402,070	483,963
	<u>2,248,876</u>	<u>2,411,657</u>
Revenue from similar sources for credit to the Mallee Land Account ..	83,579	91,002
Repayments of principal by settlers under the Closer Settlement Acts ..	301,325	257,283
Interest payments by settlers on Loan Liabilities under the Closer Settlement Acts	97,532	101,124
Repayments of principal—Other Advances	2,311	3,615
Interest on Other Advances	673	2,359
Licences to occupy water frontages—for credit to the Rivers and Streams Fund	94,157	99,164
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	383,275	344,614
Miscellaneous Revenue including rental Ballarat Guncotton Factory, admission to Buchan Caves, sales of government property and rentals of departmental houses	236,917	131,615
Survey Fees, &c.	34,344	44,392
Premiums for credit to the Insurance Fund	22,329	19,541
Moneys for specific purposes including funds made available by Wool and Wheat Research Committees, &c., for credit to Treasury Trust Accounts	65,152	69,720
Collections on account of North West Mallee Water Rates and Wire Netting Cash Sales	32,265	37,649
Road Loading Charges—Improvement Purchase Leases	12,827	10,926
Receipts on account of Assurance Fund	2,031	1,863
Net transactions through Lands Suspense Account comprising, mainly, deductions from pay for Group Tax, Superannuation, Insurance, &c.	330,746	550,357
	<u>3,948,339</u>	<u>4,176,881</u>

The overall collections compared with the previous year increased by \$228,542.

Territorial Revenue increased by \$162,781. Included in this was an amount of \$55,000, the proceeds from the sale of land at Frankston to the Housing Commission.

Miscellaneous Revenue decreased by \$105,302. In 1966-67, this heading included certain items which were applicable only to that year.

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 \$3,711,428 compared with \$3,517,640 in the previous year.

LOAN EXPENDITURE.

Expenditure from Loan Fund, \$2,094,122, was below that for the previous year by \$77,131. Comparative details are :—

	1966-67.	1967-68.
	\$	\$
Vermin and Noxious Weeds Branch—		
Functional Expenditure	1,777,579	1,778,811
Purchase of Equipment, Tools, &c.	194,120	172,887
	<u>1,971,699</u>	<u>1,951,698</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	24,140	..
	<u>24,140</u>	<u>..</u>
Construction of Roads—		
Under Part V. of <i>Land Act</i> 1958 in South Western Mallee ..	50,000	49,447
Other—Under <i>Land Act</i> 1958	7,625	1,199
	<u>57,625</u>	<u>50,646</u>
Survey Branch—Purchase of Vehicles, Machines, Equipment, &c. ..	54,999	49,999
Tostaree Pilot Farm—		
Establishment of farm and expenditure incidental thereto ..	3,985	1,611
Buchan Caves—Remodelling, &c.	5,999	30,902
Other Expenditure	52,806	9,266
	<u>2,171,253</u>	<u>2,094,122</u>

TRUST FUND EXPENDITURE.

Disbursements by the Department from Treasury Trust Funds included :—

(i) \$59,491 from joint Commonwealth—Industry Research Funds, namely :—

	\$
Vermin (Rabbit) Control	26,562
Skeleton Weed Control	19,941
Blackberry Control	8,059
Fox and Dingo Control	4,929
	<u>59,491</u>

(ii) \$21,442 in meeting claims and administrative expenses on account of the Closer Settlement Insurance Fund.

(iii) \$143,609, expenditure on account of Commonwealth Grant—Drought Relief Trust Account.

CLOSER SETTLEMENT.

The Revenue Account for the year under the *Closer Settlement Act* 1938 disclosed a deficit of \$2,102,544 and the accumulated deficit on account of the settlement scheme, the subject of the provisions of that Act, was, as a result, increased to \$119,361,065.

Closer Settlement Insurance Fund.

This Fund provides the finance in respect of contracts of insurance covering risks of fire, storm and tempest which 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 :—

Receipts.		Payments.	
	\$		\$
Balance at 1st July, 1967 ..	678,468	Claims paid	15,998
Premiums received ..	19,541	Administration expenses ..	5,444
	<u>698,009</u>	Balance at 30th June, 1968 ..	676,567
			<u>698,009</u>

LAW.

Within this Department, which is administered by the Attorney General, are grouped the following Offices and functions :—

- Crown Law Offices ;
- Crown Solicitor's Office ;
- Courts ;
- Office of the Public Trustee ;
- Titles Office ; and
- Companies Registration Office.

EXPENDITURE.

Expenditure from Consolidated Revenue on the several activities of the Department for 1967-68 amounted to \$8,201,402. The necessary funds were provided principally from the votes of the Attorney General and from special appropriations.

The following statement, under broad headings, compares the expenditure for the past two years :—

	1966-67.		1967-68.	
	\$	\$	\$	\$
Crown Law Offices and Crown Solicitor's Office ..		2,077,046		2,037,681
Courts—				
Administration	2,564,577		2,806,953	
Allowances to Witnesses	127,604		130,491	
Payments to Jurors	331,546		329,996	
Professional Assistance	135,261		159,999	
Court Reporting	144,004		139,999	
Other Costs	222,055		215,109	
		<u>3,525,047</u>		<u>3,782,547</u>
Office of the Public Trustee		540,937		609,661
Titles Office		1,454,687		1,527,931
Companies Registration Office		199,050		243,582
		<u>7,796,767</u>		<u>8,201,402</u>

RECEIPTS.

Moneys collected by Clerks of Courts throughout the State are paid into Consolidated Revenue or otherwise allocated according to law.

Collections in other branches of the Department include fees due on account of registrations, &c., jurors' fees and, to a lesser extent, receipts in the nature of recoups of costs. Major items of revenue for 1966-67 and 1967-68, with the exception of fees and commissions collected in the Office of the Public Trustee, were :—

	1966-67.	1967-68.
	\$	\$
Fees, Titles Office	2,104,333	2,236,027
Fees, Registrar of Companies	1,246,619	1,536,474
Fees, Registrar-General	105,677	135,337

The accounts of the Public Trustee will be dealt with in my Supplementary Report.

EXPENDITURE FROM LOAN.

Expenditure from Loan Fund for the year amounted to \$2,102,363 representing the cost of erection of, and alterations and improvements to, buildings and properties under the control of the Department. This amount included \$1,657,219 in respect of the Civil and Criminal Courts building in course of construction at William Street.

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.

EXPENDITURE FROM REVENUE.

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

	1966-67.	1967-68.
	\$	\$
Local Government—		
Salaries and Allowances	263,973	283,380
Salaries— <i>ex gratia</i> payments (Division 48A)	423	..
Overtime and Penalty Rates	7,197	7,738
Travelling (including Motor Vehicles)	15,872	17,766
Fees and Expenses—Boards and Committees	19,995	20,959
Other Administrative Expenses	33,172	36,880
Town and Country Planning Board—		
Salaries and Allowances	99,427	121,613
Other Administrative Expenses	19,182	14,950
Weights and Measures—		
Salaries and Allowances	133,068	140,328
Salaries— <i>ex gratia</i> payments (Division 48A)	252	..
Overtime and Penalty Rates	1,111	1,506
Travelling (including Motor Vehicles)	24,383	30,164
Materials and Equipment	10,867	4,644
Other Administrative Expenses	5,036	6,642
	633,958	686,570

REVENUE.

Revenue for the year amounted to \$103,162 compared with \$102,212 in the previous year. Details are shown in the following statement :—

	1966-67.	1967-68.
	\$	\$
Charges for Departmental Services :—		
Municipal Auditors' Board Fees, &c.	2,364	3,152
Weights and Measures Branch	87,202	90,845
	89,566	93,997
Sale of Property Sales Information	10,136	8,145
Miscellaneous	2,510	1,020
	102,212	103,162

LOAN EXPENDITURE.

Payments to municipalities and other public bodies amounting to \$1,226,219 were made from Loan Funds during 1967-68 for works and other purposes as shown hereunder :—

	\$
Drainage Works	350,195
Small Drains	199,486
Swimming Pools and Accessories	184,001
Traffic Signals	26,733
Sale-yards, Markets, &c.	59,378
Public Halls and Amenities	131,344
Beach Cleaning	59,716
Metropolitan Clearways	91,025
Special Recreation Reserves	24,848
Other Capital Works	99,493
	1,226,219

In addition to the above expenditure, Loan Funds totalling \$395,179 were applied towards :—

	\$
<i>Ex-gratia</i> Payments to Municipalities—Private Street Construction adjacent to buildings owned by State authorities	349,885
Weights and Measures Branch—Equipment, &c.	45,294
	395,179

MINES.

The principal functions of the Mines Department include the administration of mining, quarrying and petroleum 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 issue of licences for the manufacture, transportation, storage and sale of explosives.

During the year, the administration of the licensing of engine drivers and boiler attendants was transferred to the Department of Labour and Industry.

The *Petroleum (Submerged Lands) Act 1967*, proclaimed 1st April, 1968, repealed earlier legislation including the *Petroleum (Barracouta and Marlin Fields Agreement) Act 1967*. By virtue of Section 142 (2), licences granted under the latter Act have effect as though granted under the current *Petroleum (Submerged Lands) Act 1967*. These licences, which commenced on 1st April, 1967, apply for a period of 21 years at annual licence fees totalling \$52,000.

COLLECTIONS.

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

	1966-67.	1967-68.
	\$	\$
Mining Leases, Rents &c.	173,155	241,260
Boring and Crushing Fees	46,616	45,060
Sale of Government Property	23,566	34,468
Explosives Licences and Fees	15,690	19,135
Gold Buyers' Licences	294	290
Magazine Licences	391	412
Assays	396	717
Repayment of Loans	1,871	2,344
Sundries	3,421	2,786
Total Collections	<u>265,400</u>	<u>346,472</u>

EXPENDITURE.

Payments from revenue in those years were :—

	\$	\$
<i>Administration—</i>		
Salaries	621,566	689,210
Salaries— <i>ex gratia</i> payments (Division 48A)	1,137	..
Overtime and Penalty Rates	2,459	2,908
Travelling and Subsistence	15,780	14,207
Motor Vehicles—Purchase and Running Expenses	25,639	29,043
Other Administrative Expenses	66,767	65,744
	<u>733,348</u>	<u>801,112</u>
<i>Miscellaneous—</i>		
Maintenance, &c., State Batteries	3,683	3,339
Boring for Water, Coal and other Minerals, &c.	263,952	214,826
Geological Survey	11,991	13,994
Laboratory Expenses	5,386	4,370
Covering Abandoned Shafts	11,011	9,086
Surveys for Mineral Deposits	26,935	28,909
Advances for Gold Mining	1,500	10,000
Contribution to Coal Utilization Research Trust Account	10,000	10,000
Total Expenditure	<u>1,067,806</u>	<u>1,095,636</u>

NET COST.

The net cost to Consolidated Revenue for the year under review was \$749,164, which compares with \$802,406 for 1966-67.

Included in the departmental payments in 1967-68 is expenditure, estimated by the Department to be \$618,806, incurred in the investigation and measurement of underground water resources. In respect of this expenditure, the State is eligible for a contribution by the Commonwealth in terms of the *States Grants (Water Resources Measurement) Act 1967*.

In addition to the expenditure from Consolidated Revenue, loan funds totalling \$229,727 were applied towards the cost of Drilling Plant, &c.

Attention has been drawn to the need for improvement in certain sections of the Department's financial and stores accounting procedures. Many of the audit suggestions have been adopted ; others are receiving consideration.

PUBLIC WORKS.

This Department is the principal design and construction authority for Government Departments other than Railways, Water Supply and Forests. Its functions include the maintenance, fitting and furnishing of buildings and the renting of accommodation. It is also responsible for harbor works and improvements not under the control of harbor trusts or municipalities.

EXPENDITURE FROM REVENUE.

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

	1966-67.	1967-68.
	\$	\$
Public Works Administration—		
Salaries	3,379,494	3,543,574
Salaries— <i>ex gratia</i> payments (Division 48A)	6,356	..
Overtime and Penalty Rates	81,280	80,504
Travelling and Subsistence	177,999	193,677
Other Administrative Expenses	334,751	353,397
Total Administration	3,979,880	4,171,152
Works and Buildings—Maintenance, Repairs, &c.	999,970	1,119,925
Rents and Allowances	696,944	780,067
Other Services	738,917	811,521
	6,415,711	6,882,665
Ports and Harbors Administration—		
Salaries	229,528	255,822
Salaries— <i>ex gratia</i> payments (Division 48A)	720	..
Overtime and Penalty Rates	3,405	10,792
Travelling and Subsistence	33,200	35,421
Other Administrative Expenses	13,539	29,965
Total Administration	280,392	332,000
Wharves and Jetties—Maintenance, Repairs, &c.	105,341	106,421
Contribution to Portland Harbor Trust	615,000	760,000
Westernport—Operating Expenses	343,353	368,037
Other Services	109,089	120,131
	1,453,175	1,686,589
Total Public Works Department	7,868,886	8,569,254

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 lower. Recoups to Consolidated Revenue on the basis of these and other charges amounted to \$4,095,172. The comparable figure for 1966-67 was \$3,874,429 when the rate charged for design, supervision and administration was 11·66 per cent.

Expenditure from Loan Fund amounted to \$48,096,371, and from Trust and Special Funds \$10,067,439, a total of \$58,163,810, compared with a total of \$51,093,027 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.

LOAN EXPENDITURE.

Loan moneys were applied to works associated with the activities of the Public Works Department itself as shown hereunder :—

	\$
Buildings, Works, &c.—	
Public Offices	4,206,182
Foreshore Protection, Wharves, and Jetties	249,547
Dredging, Blasting, and Navigational Aids	979,981
Vessels for Dredging	272,830
Works and Services—	
<i>Westernport (Oil Refinery) Act 1963</i>	264,992
<i>Westernport Development Act 1967</i>	282,284
Plant for departmental purposes	72,822

Public Offices (\$4,206,182).—This expenditure includes progress payments made to the contractor and professional fees paid to consultants amounting in all to \$2,900,200 on account of the State Offices complex in course of erection in the Treasury Reserve. Also included is expenditure of \$237,326 incurred for the supply of furniture for this project.

Works and Services—

Westernport (Oil Refinery) Act 1963 (\$264,992).—

Details of expenditure in terms of this Act are :—

	\$
B.P. port development	251,261
Dredging and shipping channels	2,375
Pilotage vessels and sea-going tugs	10,077
Bunding walls and jetty extension	1,279
	264,992

Westernport Development Act 1967 (\$282,284).—

In terms of the legislation, Hematite Petroleum Pty. Ltd. and Esso Exploration and Production Australia Inc. are, at the cost of the State not exceeding \$3,500,000, to carry out preliminary investigations, jetty construction, dredging, &c., at Westernport. An amount of \$169,963 was expended on jetty construction for this project.

The remainder of this item was for Sea Bed Investigations, \$111,836, and Navigational Aids, \$485.

TRUST AND SPECIAL ACCOUNTS.

As already indicated, various services and projects of the Department were financed from certain Trust and Special Accounts. The major accounts within this group are :—

State Grants for Technical Training, Advanced Education, &c.

In terms of the Commonwealth legislation, the Public Works Department incurred expenditure as under :—

	\$
(i) Technical Training and Equipment	3,812,269
(ii) Advanced Education	2,445,182
(iii) Science Laboratories and Equipment	1,373,916
(iv) Teachers' Colleges	42,535
	7,673,902

Particulars of total expenditure from the above accounts are shown on pages 31–32.

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 of Public Works.

From the allocation of \$391,077 in 1967–68 in terms of the *Commonwealth Aid Roads Act 1964*, and a balance of \$31,157 carried forward from the previous year, the State disbursed \$407,671, making a total of \$7,097,498 expended since 1st July, 1947, when Commonwealth aid was first provided for the purposes mentioned.

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 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 when charged are credited to the Account.

As at 30th June, 1968, the position of this Account was :—

	\$
Cash funds available—held by Treasury	278,368
Value of stores on hand	337,926
Issues pending recoupment	31,538
	<hr/>
Funds made available by Treasury	647,832
Amount retained by Treasury to meet expenses, &c.	2,168
	<hr/>
Amount authorized by Legislation	650,000
	<hr/>

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 30th June, 1968, the net balance of the Fund was \$392,368.

Agency and Other Trust Funds.

Expenditure on projects from this source amounted to \$741,437. Major works carried out by the Department as agent included projects for :—

	\$
Mount Dandenong Observatory Reserve	96,819
Horsham Wheat Research Institute	38,942
Royal Brighton Yacht Club	36,261
High School Assembly Halls—	
Caulfield	25,694
Dandenong	20,146
Murrumbeena	28,618
Wangaratta	21,316
Warrnambool	20,141
Williamstown Technical School Assembly Hall	21,798

RAILWAYS AND STATE COAL MINE.

Railways.

In the year under review, railway operating expenses exceeded railway income by \$12,164,378.

The *Railways Act* 1958 provides 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, the amount of the excess is to be paid into the Account from Consolidated Revenue. In any year in which railway income falls short of railway operating expenses, railway income is to be supplemented from any moneys standing to the credit of the Account. As there was no balance in the Account, the deficit for 1967-68 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. .. .. .	..	..	.. 99,531,441
Renewals and Replacements Fund .. .. .	..	..	.. 400,000
Pensions and Superannuation Contributions .. .. .	..	..	.. 5,272,600
Interest, Sinking Fund, Exchange .. .. .	..	..	.. 5,746,582
Total Expenditure .. .. .	..	..	.. <u>110,950,623</u>
This was provided by—			
Ordinary Income .. .. .	..	..	.. 98,269,852
General Revenue—			
For country freight charge concessions .. .. .	..	..	286,000
For concessions to pensioners .. .. .	..	..	200,000
For losses on Kerang-Koondrook line .. .. .	..	..	30,393
			<u>516,393</u>
Deficit charged to Consolidated Revenue .. .. .	..	..	.. 12,164,378
			<u>110,950,623</u>

According to the accounts in the Railway books, there was a deficit of \$11,557,108. The Department's accounts and the Treasury accounts for railway expenditure are kept on an accrual basis, but the Treasury accounts for income are mainly cash records. The differing net financial results for the year, as disclosed by the two accounting systems, are reconciled in the following statement :—

		\$	\$
Deficit, as shown in Treasury books .. .. .	..	..	.. 12,164,378
Revenue outstanding (net) at—			
30th June, 1968 .. .. .	..	..	.. 4,592,410
30th June, 1967 .. .. .	..	..	.. 3,985,140
			<u>607,270</u>
Deficit, as shown in Railway books .. .. .	..	..	.. <u>11,557,108</u>

Railway operating expenses, comprising working expenses, superannuation contributions, pensions and debt charges as defined in the Railways Act, amounted to \$110,950,623. This sum was less than the Budget estimate by \$2,313,017 and, on a comparable basis, in excess of the previous year by \$2,499,856.

Working Expenses, &c.

Depreciation.—The depreciation for the year was assessed as \$7,154,071, but only \$598,699 was charged against working expenses. The latter sum, plus \$309,046 received from sales of materials, &c., for the year, was expended on renewals and replacements.

Depreciation assessed but not provided for by charges against the Revenue Account amounted to \$6,555,372 for the year, bringing the accumulated sum of such under provisions to \$73,935,043 at 30th June, 1968.

However, renewals and replacements provided from the sales of materials totalled \$6,153,819 to 30th June, 1968, whilst, in addition, loan allocations amounting to \$119,193,184 were specifically applied to replacement (rehabilitation) works in the period 1950–51 to 1963–64.

Accrued Leave.—Accrued leave decreased by 6,427 days in 1967–68 but the estimated liability increased from \$4,214,678 as at 30th June, 1967, to \$4,306,025 as at 30th June, 1968. 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.

Repairs.—Approximately \$70,000 was charged in 1967–68 against working expenses as the estimated cost of rolling stock involved in a collision at Broadford in January, 1967.

Purchase on Terms.—Included in working expenses for the year is the sum of \$66,200, 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.

Maintenance Works from Drought Relief Funds.—Expenditure of \$197,800 on maintenance works carried out as part of drought relief measures has not been included in the Railway Revenue Account. This expenditure has been charged to the Commonwealth Grant—Drought Relief 1967 Trust Account in the Treasury.

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 1967–68 transactions through the Fund is as under :—

	\$
Special Appropriation—Act No. 6355	400,000
Depreciation on rail motors and road motors, &c.	198,699
Sundry sales and abolitions, &c.	309,046
	<hr/>
	907,745
Less renewals and replacements during the year	907,745
	<hr/>
Balance at 30th June, 1968	Nil
	<hr/>

Interest, Sinking Fund and Exchange.

Under current legislation, the Railways Commissioners are liable for interest, sinking fund payments and exchange only in respect of moneys borrowed by the State for railway purposes from and including 1st July, 1960.

Railway Income.

Collections on account of Railway Income amounted to \$98,786,245 which was \$9,113,155 less than the Budget estimate, and \$6,203,099 less than the result for 1966–67.

The following dissection of earnings on an accrual basis serves to show the variations under the principal heads in the past three years :—

	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Passengers	27,763,000	30,098,425	30,274,786
Parcels, &c.	2,735,088	3,176,661	3,094,826
Mails	893,096	956,158	979,307
Miscellaneous	162,681	88,122	103,647
Goods and livestock, &c.	61,441,529	63,322,683	57,800,647
Rents and general miscellaneous	1,913,684	2,089,289	2,310,872
Dining car and refreshment rooms services	3,345,424	3,464,285	3,450,713
Advertising	211,279	227,628	234,130
Bookstalls	1,053,593	1,053,314	1,051,978
Road motor services	68,925	70,286	62,216
	99,588,299	104,546,851	99,363,122

Treasury recoups—\$30,583 in 1965-66, \$32,326 in 1966-67 and \$30,393 in 1967-68, in accordance with the *Kerang and Koondrook Tramway Act 1951* are not included in the above earnings.

LOAN EXPENDITURE.

The following statement outlines expenditure under Railway Loan Application Acts for the past three years :—

Description of Works	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Way and Works	9,021,020	8,780,140	10,316,661
Rolling-stock, Equipment, &c.	7,358,253	7,636,497	6,250,143
Construction of new lines	58,987	52,635	47,287
	16,438,260	16,469,272	16,614,091

The expenditure of \$16,614,091 for 1967-68 is a net figure determined after taking credit for the receipt of \$106,183 refunded in respect of customs duty paid in previous years in connexion with contracts for the supply and delivery of locomotives.

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 1967* a sum of \$48,000. Under this and prior authorities, sums amounting to \$388,923 had been expended up to and inclusive of 30th June, 1968.

Melbourne Yard Rearrangement.—Expenditure during the year amounted to \$2,040,098 bringing the total recorded to date to \$5,850,291. The year's expenditure included a sum of \$8,084 as fees to retired railways officers engaged as consultants on the project.

BALANCE-SHEET.

An abridged statement of the balances in the Railway accounts as at 30th June, 1967 and 1968 is as under :—

	1967.	1968.
	\$	\$
Rolling-stock, Plant, &c., at cost less depreciation provided ..	413,626,921	431,226,453
Stores and Materials	7,228,866	7,274,233
Partly-manufactured Articles	532,988	702,116
Refreshment Services, Stock and Equipment less provision for losses	690,856	733,905
Discounts and Expenses on Loans	5,547,914	6,830,652
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	4,835,552	5,962,187
Railways Stores Suspense Account	2,888,063	2,604,957
Railways Repayment Account	2,444	11,956
Advances to Agent-General	36,551	116,286
Trust Securities	3,135,781	3,376,546
Cash at Stations and in Transit	487,672	631,388
Cash Advances	1,285,282	1,872,199
Revenue Debtors	4,204,444	4,726,792
Sundry Debtors	1,124,661	1,212,894
Accumulated Loss	142,713,644	154,270,752
	<u>589,591,639</u>	<u>622,803,316</u>
	1967.	1968.
	\$	\$
Loan Liability*	328,900,252	343,132,442
Funds for—		
Uniform Railway Gauge Works	31,016,810	30,920,973
Level Crossings Fund—Act No. 6229	5,235,275	5,934,429
Other Special Purposes	11,903,129	12,275,235
Special Works—Commonwealth Grant	1,172,000	1,172,000
National Debt Sinking Fund Reserve	50,479,429	54,093,071
Uniform Railway Gauge Sinking Fund Reserve	583,190	679,027
Railway Accident and Fire Insurance Reserve	200,000	200,000
Advances from the Public Account	1,174,456	1,668,398
Sundry Creditors	9,090,089	10,476,076
Trust Securities	3,138,224	3,388,502
Consolidated Revenue, &c.	146,698,785	158,863,163
	<u>589,591,639</u>	<u>622,803,316</u>

* After deduction of the equity in the National Debt Sinking Fund.

Discounts and Expenses on Loans.

The amount, \$6,830,652, at which these capitalized costs of loan flotations appear among the debit balances, is higher than the previous year by \$1,282,738. 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 \$1,740,088 charged against working expenses to meet the following expenditure in 1967-68. The expenditure in 1965-66 and 1966-67 is also shown :—

	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Damages recovered by non-employees at law	67,733	28,871	51,057
Damages paid to non-employees without legal action	5,873	25,283	79,116
Compensation for injuries to employees	943,645	816,282	1,075,970
Compensation for goods lost or damaged	221,279	303,401	317,186
Compensation for losses by fires caused by railway operations	9,839	15,931	2,433
Losses by fire to railway property	66,257	251,568	214,326
	<u>1,314,626</u>	<u>1,441,336</u>	<u>1,740,088</u>

Railway Charges in Suspense Account.

This account, established in 1929, operates as a holding account to enable expenditure to be reimbursed by the Treasury prior to the analysis of detailed costs.

As at 30th June, 1968, there was a credit balance of \$5,962,187 consisting in the main of liabilities incurred and charged against Treasury accounts by journal entry, but not yet paid by the Department. Details are:—

Credits—							\$
Salaries and Wages accrued .. .. .	..	..	..	..	..	..	3,286,618
Taxation Deductions, &c. .. .. .	..	..	..	..	..	..	484,119
Sundry Creditors for various services .. .. .	..	..	..	..	..	..	1,432,484
Revenue rebates and refunds due .. .. .	..	..	..	..	..	..	1,411,961
Amounts received in advance for works .. .. .	..	..	..	..	..	..	369,187
							<u>6,984,369</u>
Debits—							\$
Expenditure on works for other bodies, &c. .. .. .	..	..	..	..	..	..	815,952
Sundry Debtors for sales and services .. .. .	..	..	..	..	..	..	217,907
							<u>1,033,859</u>
							5,950,510
Add—Amount transferred from Income .. .. .	..	..	..	..	..	..	11,677
							<u>5,962,187</u>

Railways Stores Suspense Account.

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, 1968, 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 .. .. .	..	..	..	..	..	..	7,274,233
Less Creditors for stores purchased .. .. .	..	..	..	..	..	..	1,074,336
							<u>6,199,897</u>
Railways equity in the stock .. .. .	..	..	..	..	..	..	134,839
Stores sold and proceeds not collected .. .. .	..	..	..	..	..	..	60,307
Advances to the Agent-General, London .. .. .	..	..	..	..	..	..	<u>6,395,043</u>
							2,604,957
Balance held at Treasury .. .. .	..	..	..	..	..	..	<u>9,000,000</u>

The item, Stock on hand, \$7,274,233, represents stock financed from the Suspense Account pending issues for works or purposes the expenditure on which is chargeable to Parliamentary appropriations.

The application of electronic data processing to the inventory records was commenced during the year. As at 30th June, 1968, the records of four storehouses were being processed by a leased computer. The value of stock so recorded as at 30th June, 1968, amounted to \$1,366,119. Operation of the system revealed some practical weaknesses which are now being remedied. Consequently the values placed at 30th June, 1968, on a number of stores items processed by the computer will require adjustment.

The balance held at the Treasury includes an amount of \$371,399 representing credits to the Stores Suspense Account in anticipation of future issues of stores.

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 :—

	\$	\$
Balance as at 1st July, 1967 .. .. .	..	670
Losses or reduction of values of stores	18,285	..
Costing adjustments—manufactured items .. .. .	..	9,370
Loss on sale of safety footwear	9,295	..
Sales of materials—profits .. .. .	..	4,390
Balance charged to Working Expenses as at 30th June, 1968 .. .. .	..	13,150
	27,580	27,580

Debtors.

The amounts outstanding at 30th June, 1966, 1967 and 1968, are shown :—

	1966.	1967.	1968.
	\$	\$	\$
Revenue services rendered	4,591,972	4,204,444	4,726,792
Works	980,059	648,465	815,952
Sales of general stores	395,388	252,090	134,941
Sundry sales and services	109,162	169,974	217,907
Sales of land	66,572	54,132	44,094
	6,143,153	5,329,105	5,939,686

The item, "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 from the Fund, including \$699,154 in the year 1967–68, was \$5,934,429 to 30th June, 1968. This latter amount is included in the balance-sheet as part of the total expenditure on capital works.

Funds for Other Special Purposes.

Included in this item is an amount of \$372,106 provided from the Commonwealth Grant—Drought Relief 1967 Trust Account and spent on capital projects. As mentioned earlier, an additional \$197,800 was expended from the same source on maintenance works.

Sundry Creditors.

A classification under broad headings at 30th June, 1966, 1967 and 1968, is shown :—

	1966.	1967.	1968.
	\$	\$	\$
Stores purchased for railways	1,224,006	1,394,454	1,074,336
Stores purchased for refreshment services	58,061	77,500	97,310
Salaries and wages accrued	2,390,525	2,835,450	3,286,618
Income Tax Commissioner, &c.	559,841	647,228	484,119
Accounts for various services	970,806	1,166,843	1,432,484
Revenue rebates and refunds	1,096,530	762,826	1,411,961
Payments in advance for works	606,496	262,156	369,187
Payments in advance for revenue services, &c.	612,427	706,975	765,770
Cash accounts overdrawn	186,472	1,236,657	1,554,291
	7,705,164	9,090,089	10,476,076

The item "Salaries and wages accrued" largely comprises payrolls accrued from 16th to 30th June, 1968.

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 three years as shown in the books of the Mine.

—	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Expenditure—			
Working Expenses	702,631	660,312	570,180
Contributions to Pension Funds	85,707	95,888	73,836
Contribution to Accident Fund	205	175	133
Pay-roll Tax	14,195	12,333	9,433
Depreciation	4,900	4,900	4,900
	807,638	773,608	658,482
Revenue	381,811	360,095	267,310
Loss for year	425,827	413,513	391,172

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

—	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Sale of Coal	193,086	207,002	247,859
Electric Light and Power	159,226	118,119	..
Miscellaneous	29,499	34,974	19,451
	381,811	360,095	267,310

Operations in 1967-68 resulted in a loss of \$391,172 compared with the loss of \$413,513 in 1966-67.

The deficit on a cash basis in the Treasury was \$394,307. The difference of \$3,135 between the Treasury and the Mine's books at 30th June, represents unpaid accounts, coal on hand, &c.

On 3rd February, 1967, power generation at the Mine ceased and the supply of power to the area became the responsibility of the State Electricity Commission which has also undertaken to purchase coal that would have otherwise been consumed at the power station.

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 1965 to 1968 are shown hereunder :—

	1965-66.	1966-67.	1967-68.
	tons	tons	tons
Railway Department	4,174	2,532	1,279
Electricity Commission	15,581	19,804	27,002
Employees	1,600	1,340	1,034
Public	1,286	1,599	2,273
Used in Mine's Works	13,297	8,228	8
	35,938	33,503	31,596

BALANCE-SHEET.

A statement of the State Coal Mine balances at 30th June, 1967, and 1968, appears hereunder:—

	1967.	1968.
	\$	\$
Works, Machinery, and Plant at cost, less depreciation ..	569,789	501,626
Stores and Materials	18,453	13,684
Coal Stocks	1,867	559
Discounts and Expenses on Loans	1,282	1,281
Funds at Treasury—		
Depreciation Fund	186,616	214,780
Trust Fund—Charges in Suspense	6,567	7,245
Cash	1,901	7,969
Deposits on Contracts	509	509
Sundry Debtors	32,605	50,817
Realization Account .. .. .	..	36,999
Accumulated Loss	10,852,922	11,244,094
	<hr/>	<hr/>
	11,672,511	12,079,563
	<hr/>	<hr/>
National Recovery Loan (non-interest bearing)	49,000	49,000
Advances from Public Account	18,295	14,988
Sundry Creditors	22,033	33,184
Depreciation Fund Interest Reserve	227,870	232,770
Sinking Fund	708,000	708,000
Advances from Consolidated Revenue	10,647,313	11,041,621
	<hr/>	<hr/>
	11,672,511	12,079,563
	<hr/>	<hr/>

The item, Works, Machinery and Plant, \$501,626, shown above represents the balance of the capitalized expenditure on such assets after provision for depreciation but no longer including the power generation and distribution assets, which are being disposed of because of the assumption of the responsibility for power supply by the State Electricity Commission. During the year, the book value of the latter assets, \$65,586, as at 1st July, 1967, was transferred to a "Realization Account". The balance of this account at 30th June, 1968, \$36,999 shown above, has been established after crediting the account with proceeds of sales of plant, \$20,964, compensation by the State Electricity Commission, \$4,440, and depreciation written off, \$3,183.

STATE RIVERS AND WATER SUPPLY COMMISSION.

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. As well as country water supply within the constituted districts, it has other duties such as investigations and research, and the 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.

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 1965-68 is given in the table hereunder :—

—	Receipts, Including Recoups.	Expenditure.			Cash Deficit.	Loan Expenditure.
		General.	Debt Charges.	Total.		
	\$	\$	\$	\$	\$	\$
1965-66	12,777,139	9,971,428	15,616,019	25,587,447	12,810,308	17,692,875
1966-67	13,428,611	10,644,309	16,891,366	27,535,675	14,107,064	17,178,826
1967-68	13,782,980	11,235,522	17,905,928	29,141,450	15,358,470	16,954,634

As the summary indicates, there was, in 1967-68, an increase in expenditure of \$1,605,775 (including an increase of \$1,014,562 in debt charges) offset by an increase in revenue of \$354,369. Thus the net increase in the cash deficit between 1966-67 and 1967-68 was \$1,251,406.

REVENUE.

A summary of the revenue from rates and charges for the supply of water for the period 1965-68, 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.		
	\$	\$	\$	\$	\$
1965-66	2,379,709	6,467,591	10,128,017	8,895,699	1,232,318
1966-67	2,487,601	6,983,269	10,703,188	9,405,065	1,298,123
1967-68	2,250,805	7,141,885	10,690,813	9,497,238	1,193,575

Variations in rates had little effect on revenue compared with the previous year. The amounts collectable from Districts in 1967-68 were somewhat less due to reduced water sales arising from drought conditions, but total revenue was slightly increased as a result of higher miscellaneous collections. In 1966-67, Waterworks Districts supplied from the Wimmera-Mallee System were rated on an area basis in place of the valuation basis previously used. In 1967-68, two more Waterworks Districts were also rated on this basis, namely, Normanville and West Loddon. Included in the total sum collectable are sundry Head Office collections and, to indicate the effectiveness of district collections, these have been excluded from the following statement of the percentage of the total collectable sum received during the year compared with the previous year.

	1966-67.	1967-68.
	%	%
Coliban Districts	89	87
Irrigation Districts	87	92
Waterworks Districts	94	91
Urban Districts	83	78
Flood Protection Districts	92	95

A dissection of the collectable sum and the amount thereof owing at 30th June, 1968, is given in the statement hereunder :—

	Total Collectable Sum.	Arrears 30.6.68.
	\$	\$
Coliban Districts	705,273	90,866
Irrigation Districts	5,473,817	405,022
Waterworks Districts	1,421,882	124,634
Urban Districts	2,563,160	542,463
Flood Protection Districts	102,424	5,823
Sundries	424,257	24,767 (Approx.)

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

These recoups were obtained as follows :—

	1965-66.	1966-67.	1967-68.
	\$	\$	\$
From Oncost—			
On loan expenditure at 10 per cent. on \$9,859,544 in 1965-66; at 9 $\frac{1}{11}$ per cent. on \$10,309,189 in 1966-67; and at 10 per cent. on \$10,584,351 in 1967-68	978,252	944,901*	1,058,435
At various rates (1 to 6 per cent.) on loan expenditure: \$2,206,364 in 1965-66; \$1,659,977 in 1966-67; and \$1,033,878 in 1967-68	127,734	74,542	57,099
On other funds	25,521	94,616	199,172
From Repayments on account of works temporarily financed from Consolidated Revenue	234,807	232,742	267,794
From Salary recoups—River Murray Commission and other funds	1,077,806	1,164,702	1,184,836
	<u>2,444,120</u>	<u>2,511,503</u>	<u>2,767,336</u>

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

EXPENDITURE.

Included in the departmental payments from revenue and loan in 1967-68, shown above, is expenditure estimated to have amounted to \$351,415 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 an advance of \$130,833 in terms of the *States Grants (Water Resources Measurement) Act 1967*.

Also included in the loan expenditure for the year 1967-68 shown in the foregoing statement, is a sum of \$12,733,763 in respect of works undertaken by the Commission. The main items were :—

	\$
Irrigation Districts Principally the remodelling and construction of main channels and drainage works ..	3,641,467
Mornington Peninsula System The extension of pipelines and reticulation ..	1,632,353
Tarago Dam Construction of a storage to supply users in the Mornington Peninsula	1,598,090
Lake Merrimu First stage storage of 1,500 acre feet on Coimadai Creek to augment supplies for Werribee Irrigation District	1,192,982

In addition to that shown above, expenditure was incurred on works financed by the Commonwealth as follows :—

	\$
<i>Victoria Grant (River Murray Salinity) Act 1968</i>	553,151
<i>States Grant (Drought Reimbursement) Act 1968</i>	83,146

OTHER FUNDS AND ACCOUNTS.

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. Pursuant to the provisions of Section 68 of the *Water Act 1958*, 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 1967-68, the necessary sum, \$1,014,651, was provided from Loan Fund.

Stores Suspense Account.

Up to and inclusive of 30th June, 1968, 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, 1968, the balance at credit of the Water Supply Stores Suspense Account is shown as \$703,528. This amount is represented in the Commission's books by :—

	\$
Balance available for purchases of stores, &c.	464,101
Plus Credit Balances of Hire Plant Accounts	239,427
Balance—Water Supply Stores Suspense Account	<u>703,528</u>

The credit balance of \$143,002, at 30th June, 1967, in the Plant and Machinery Administrative Adjustment Account was transferred during the year to the various Hire Plant Accounts. In future, all charges &c., which were formerly passed through this Account will be charged direct to the Hire Plant Accounts concerned.

The balances of the Hire Plant Accounts have reached the figure shown as a result of credits from plant-hire charges made against works expenditure allocations.

According to Commission records, the book values of plant, tools and general stores at 30th June, 1968, were :—

	Plant. \$	Tools and Stores. \$
At Construction Works	203,183	392,074
Stores Suspense Accounts (Depots)	215,612	1,570,627
At Central Plant Workshops (Suspense Accounts)	29,465	228,354
At Central Plant Workshops pending transfer or disposal.. .. .	26,152	72,571

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.

Water Supply Plant and Machinery Depreciation Fund.

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 \$97,887. The capital liability at 30th June, 1968, in respect of this class of plant and machinery was \$3,621,935.

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, 1968, the balance in the Fund for the replacement of hire plant and machinery was \$1,988,547.

Depreciation—Works—Water Supply Works Depreciation Fund and Account.

Pursuant to the provisions of Section 83 of the *Water Act* 1958, 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 1967-68 was \$473,184. However, in recent years, no payment has been made to the Fund and, as at 30th June, 1968, no balance was held in the Fund. At the same date, the balance of the Account was \$4,819,964.

Rivers and Streams Fund.

This Fund operates pursuant to the provisions of the *River Improvement Act 1958*.

Payments into the Fund totalled \$150,275 and expenditure amounted to \$150,476. The balance at the close of the year was \$175,893.

OTHER ACTIVITIES.

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 in 1967-68 on these works amounting to \$300,838.

In 1967-68, under the authority of *Water Supply Loan Application Acts Nos. 7513 and 7654*, Victoria contributed \$392,500 for the construction of works, bringing the State's total contribution for construction as at 30th June, 1968, to \$13,273,890. The contribution from Consolidated Revenue for maintenance and administrative expenses amounted to \$238,000.

The books and accounts of the River Murray Commission are subject to audit by the Commonwealth Auditor-General. In connexion with this audit, revenue received and expenditure incurred by the State Rivers and Water Supply Commission on behalf of the River Murray Commission are verified by my officers.

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 \$585,646 and expenditure, including refunds of contributions, amounted to \$442,501. The balance in the Account at the close of the year was \$358,351.

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 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 \$37,200.

In 1967-68, advances to various Trusts by the State amounted to \$2,519,931. Repayments by Trusts on account of advances amounted to \$117,189, and certain Trusts were relieved of liability to the extent of \$478,980. This sum, by direction of the Governor in Council, is to be borne by the State. The net increase during the year in the Trusts' indebtedness for State loans was \$1,923,762.

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. In 1967-68, six Waterworks Trusts were so assisted and the amount involved was \$9,636.

River Improvement Trusts.

To 30th June, 1968, twenty-four 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 1967-68 for this purpose was \$3,179.

Advances by the State in 1967-68 totalled \$440,000. Repayments in respect of advances amounted to \$2,568 and the Trusts were relieved of liability to the extent of \$274,062 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 \$163,370.

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 \$1,095,653.

Advances by the State in 1967-68 totalled \$647,572. Repayments in respect of advances amounted to \$22,564 and the Authorities were relieved of liability to the extent of \$300,324 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 \$324,684.

In addition, the State advanced \$725,000 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.

Rates and miscellaneous charges levied in 1967-68 totalled \$13,670 of which \$13,103 or 95.9 per cent. was paid during the year. Costs chargeable to the district amounted to \$9,852 plus depreciation \$1,996.

During the year the amount of \$1,996 was transferred from Consolidated Revenue to the Eildon Sewerage District Depreciation Fund representing the amount of depreciation provided in 1967-68. At 30th June, 1968, the balance of the Fund was \$13,235.

TOURIST DEVELOPMENT AUTHORITY.

Under the *Tourist Act* 1958, 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 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.

TOURIST FUND.

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

1966-67	Credits.	1967-68.	
\$		\$	\$
458,839	Balance forward .. .. .	..	291,283
493,805	Contribution from Country Roads Board Fund .. .. .	..	517,430
50,000	Contribution under Public Works Loan Application Acts .. .. .	..	71,000
	Contributions by Municipalities, &c.—		
1,600	On account of works .. .. .	..
366	On account of motor boating facilities	1,465	
		1,465	
14,168	Interest on Loans to certain Bodies .. .. .	..	15,313
16,947	Loan Repayments by certain Bodies .. .. .	..	16,659
108,684	Motor Boat Registration Fees and Fines (Net)	229,946	
	Less Costs and Expenses of Collection and Administration	86,702	
		143,244	
	Tourist Bureaux operations—		
147,567	Commissions, &c., received	155,824	
	From Consolidated Revenue—Share of cost of operations—		
298,500	Premier's Vote	330,000	
175,200	Railway Working Expenses	204,800	
		690,624	
1,765,676		1,455,735	1,747,018
	<i>Disbursements.</i>		
421,030	Developmental and Maintenance works authorized under the Act .. .. .	..	410,026
12,123	Advances to Public Works Department—Mt. Dandenong Project .. .. .	..	52,948*
96,800	Publicity—net (excluding Tourist Bureaux advertising, &c.) .. .. .	..	91,762
30,024	Loans to certain Bodies .. .. .	..	81,911
187,183	Provision of motor boating facilities .. .. .	..	122,598
	Costs and administrative expenses—		
66,791	Head Office	62,236	
660,442	Tourist Bureaux	731,264†	
		793,500	
291,283	Balance at the close of the year — General .. .. .	..	79,899
	Motor Boating .. .. .	..	114,374
		194,273	
1,765,676		1,552,745	1,747,018

*\$20,130 unexpended as at 30th June, 1968, on account of advances in 1967-68.

†Includes \$20,663 expended on fittings and furniture for additional premises, Melbourne Bureau.

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, related 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, 1967 (held in Tourist Fund) .. .. .	..	90,158
Add—Registration Fees	218,950	
Fines	11,286	
	230,236	
Less—Refunds	290	
	229,946	
Add—Municipal Contributions towards provision of boating facilities .. .. .	..	1,465
Instalments account repayment of Loan—Redemption	693	
Interest	1,412	
	2,105	
		323,674
Less—Expenditure—	\$	
Provision of boating facilities—Grants	122,598	
Cost of Administration—		
Transport Regulation Board	29,252	
Chief Secretary's Department	56,901	
Other	549	
	86,702	
		209,300
Credit at 30th June, 1968 (held in Tourist Fund) .. .. .	..	114,374

CASH COLLECTIONS.

Apart from the moneys credited to the Tourist Fund, cash collections by the Authority on account of railway bookings are paid into the Treasury by the Authority and allocated 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 1966-67 and 1967-68 and shows the accounts in the Treasury to which the collections for 1967-68 were credited :—

Location.	Account Credited—1967-68.					Total Collections.	1966-67 Total Collections.
	Railway Income.	Tourist Bureaux Trust Account.	Tourist Fund.	Revenue—Miscellaneous.	Treasury Trust—Unclaimed Moneys, &c.		
	\$	\$	\$	\$	\$	\$	\$
Head Office .. .. .	..	121,529	258,539	732	6	380,806	392,630
Tourist Bureaux—							
Melbourne	1,327,581	1,224,394	..	339	..	2,552,314	2,499,967
Sydney	66,425	97,035	..	..	..	163,460	158,365
Adelaide	70,631	162,834	..	..	..	233,465	228,519
Brisbane	34,731	56,258	..	..	..	90,989	73,589
Ballarat	28,874	114,667	..	..	..	143,541	144,618
Bendigo	27,268	180,811	..	..	..	208,079	204,571
Geelong	38,498	149,324	..	..	..	187,822	208,825
Mildura	7,475	24,051	..	..	..	31,526	43,556
	1,601,483	2,130,903	258,539	1,071	6	3,992,002	3,954,640

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 1 of the *Commercial Goods Vehicles Act 1958*, jurisdiction over all commercial goods and passenger vehicles operating within the State. Fees (other than road charges) and fines under these Acts and fees under the Motor Car Acts for the registration of certain omnibuses are paid into the Transport Regulation Fund. Costs of administration and other authorized charges are met therefrom. The balance in the Fund at 30th June, 1968, was \$258,033.

TRANSPORT REGULATION FUND.

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

1966-67.			1967-68.	
\$			\$	\$
	<i>Receipts.</i>			
74,925	Balance of Transport Regulation Fund at 1st July	.. ..	..	200,178
736,673	Licence Fees and Additional Fees on Licences	.. ..	751,603	
144,907	Licence Transfer Fees	.. ..	84,050	
849,750	Permits—Goods and Passenger	.. ..	874,852	
15,080	Drivers' Certificates	.. ..	14,732	
11,772	Metropolitan Omnibus Registration Fees	.. ..	11,666	
219,927	Fines	.. ..	239,868	
21,780	Miscellaneous Receipts	.. ..	22,633	
			1,999,404	
2,074,814				2,199,582
	<i>Payments.</i>			
1,447,106	Salaries and Overtime (Including Pay-roll Tax, &c.)	.. ..	1,540,221	
346,677	Other Administrative Expenses	.. ..	387,132	
28,127	Payment for Police Services	.. ..	30,786	
7,303	Contribution towards erection of Bus Shelters, &c.	.. ..	8,025	
59,319	Amounts distributed to Municipalities	.. ..	53,090	
412,581	New Head Office, Land and Building—Carlton	.. ..	365,496	
			2,384,750	
2,301,113				
	<i>Less—Recoups—</i>		\$	
28,919	Costs of Collection—Motor Boat Registrations	..	29,252	
	Road Charges (Commercial Goods			
382,710	Vehicles Act)	.. ..	403,939	
14,848	Sale of Building and Furniture — Exhibition Office	..	10,010	
			443,201	
1,874,636				1,941,549
200,178	Balance of Fund at 30th June	.. ..	..	258,033

In 1966-67, the Board moved to a new headquarters building in Carlton. Net expenditure in relation to this building, to 30th June, 1968, amounted to \$3,100,372—after taking into account recoups of \$24,858. Included in the expenditure shown above in respect of the new building, \$365,496, is an amount of \$188,700 which was advanced by the Treasurer from Loan Fund in 1966-67 and repaid by the Board in 1967-68.

A building erected by the Board on land vested in the Exhibition Trustees was no longer required and was transferred to the latter body for the sum of \$30,000 payable in three annual instalments of \$10,000. The second instalment was received during the year under review, leaving a balance of \$10,000 payable in 1968-69.

Road Charges.—Part II. of the *Commercial Goods Vehicles Act 1958* requires the owners of commercial goods vehicles with a load capacity in excess of four tons 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 1967–68 was \$7,247,589 compared with \$6,732,314 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. The Act also provides that these fees are to be credited to the Tourist Fund and that the costs of collection and administration are to be recouped from that Fund.

The registration fees collected by the Board during 1967–68 amounted to \$218,950. The costs of collection and administration were recouped to the extent of \$29,252.

Log Books.—*The Motor Car (Hours of Driving) Act 1964* which came into operation from 15th May, 1967, requires the driver of a commercial vehicle weighing more than two tons unladen to record his hours of driving in an authorized log book. These log books are available from the Transport Regulation Board and certain police stations for a prescribed fee of sixty cents.

Receipts from this source in 1967–68 totalling \$21,684 were credited to the Country Roads Board Fund as required by Section 38 of the Country Roads Act. The cost of printing the log books is being met from that Fund as a cost of collection of fees under the Motor Car Act.

PART VII—GENERAL.

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 current at 30th June, 1968, and not authorized by statute 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	30,000
Olympic Park Committee of Management	420,000	215,000
Royal Agricultural Society of Victoria	1,040,000	640,398
A. V. Page Pty. Ltd., Wonthaggi	50,000	46,011

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, 1968.

	Guarantee.	Contingent Liability.
	\$	\$
Co-operative Housing Societies	185,266,000	110,424,181
Co-operative Housing Societies .. .. .	..	*84,709,227
Co-operative Societies	6,675,685	2,358,392
Home Finance Trust	24,678,748	22,137,786
Melbourne Cricket Club	1,950,000	1,889,914
Victorian Inland Meat Authority	150,000†	—

* 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 (Financial) Act* 1966, now provides a limit of \$200,000,000 to the aggregate liability which may be incurred by the State under this heading. At 30th June, 1968, 808 guarantees were current in support of loans made or to be made.

The Principal Act, as amended by the *Co-operative Housing Societies (Indemnities) Act* 1967, 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; provided that the amount of such advance, subject to certain deductions, does not exceed \$7,500, or in the case of a member having five or more dependent children, does not exceed \$8,900. At 30th June, 1968, there were 2,679 indemnities in force, the contingent liability in respect of which was \$1,297,224.

The *Co-operation Act* 1958, as amended by Act No. 7374, provides a limit of \$8,000,000 to the liability which the State might incur under guarantees given in respect of societies registered under this Act. To 30th June, 1968, 334 guarantees to the extent of \$6,675,685 had been given in relation to the borrowings of a number of societies, and the contingent liability under the guarantees amounted to \$2,358,392.

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, 252 guarantees amounting to \$428,748 in respect of loans beyond the specified maxima, and 104 guarantees totalling \$24,250,000 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 356 guarantees was \$22,137,786. The accounts of the Trust are subject to audit by this Office, and are discussed in further detail in my Supplementary Report.

The *Melbourne Cricket Ground (Guarantees) Act* 1966 authorizes the Treasurer to guarantee the repayment of loans made to the Committee of the Melbourne Cricket Club to effect certain improvements at the Melbourne Cricket Ground provided that the total liability under the guarantees does not, in the aggregate, exceed the amount of \$3,000,000. Up to and inclusive of 30th June, 1968, nine guarantees amounting to \$1,950,000 had been given.

The *Building Societies Act* 1958, as amended by the *Building Societies (Amendment) Act* 1961, 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, 1968, 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.

	1966.	1967.	1968.
	\$	\$	\$
Railways and State Coal Mine	4,425,903	4,009,719	4,628,527
Taxation—			
Income	910	910	910
Unemployment Relief	344	344	344
Land	1,814,920	1,313,793	1,135,709
Probate Duty	2,167,287	1,337,696	1,815,584
Water Supply	1,232,318	1,298,123	1,193,575
Lands Department	368,591	419,406	441,781
Rural Finance and Settlement Commission	420,039	370,628	579,324
Forests Commission	485,388	665,358	584,687
Government Printer (excluding amounts due from State Departments)	86,685	99,635	91,872
Other Departments	59,767	130,545	193,713
Trading Activities—			
Victoria Dock Cool Stores	257,397	203,000	144,972
Erica Sawmill	23,143	—	—
Miscellaneous	152,093	174,903	184,408
	11,494,785	10,024,060	10,995,406

The arrears of Probate Duty for 1968 do not include the amount of \$1,634,590 which represents assessments issued during June, but not due and payable until after 30th June.

Land Tax in arrears as at 30th June, 1968, as disclosed in the preceding statement, is composed of amounts due in respect of several assessment years. Relevant details are :—

Assessment Year.	Amount. \$
1964 and prior years	65,813
1965	73,071
1966	19,840
1967	114,767
1968	862,218
	1,135,709

Collections during July, 1968, reduced these arrears by \$448,997.

Miscellaneous, \$184,408, represents cash in transit to the Treasury from various departmental branches throughout the State as at the close of the year 1967-68 and includes—from the City Court, \$19,378; the Marine Board, \$22,176; and the Companies Registration Office, \$10,075.

Amounts due to the Social Welfare Branch 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, ETC.

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, \$411,985. To 30th June, 1968, repayments on account of these advances amounted to \$433,011 and \$101,207 respectively. Further references to these Funds 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.

	1965-66.	1966-67.	1967-68.
	\$	\$	\$
Corporations and other Bodies	3,048,326	1,834,147	2,903,473
Settlers	133	1,324	948
Various	124,055	283,118	146,779
Total	3,172,514	2,118,589	3,051,200

Advances made during these years 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 \$259,165. 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, 1968.			Overdue at 30th June, 1968.				
	Loan.	Revenue.	Total.	Redemption.			Interest.	Total.
				Loan.	Revenue.	Total.		
	\$	\$	\$	\$	\$	\$	\$	\$
Municipalities	2,669,120	..	2,669,120	3,778	..	3,778	9,533	13,311
Corporations and other bodies	38,179,463	..	38,179,463	32,784	..	32,784	161,473	194,257
Unemployment Relief Advances	173,580	..	173,580	31,471	..	31,471	..	31,471
Advances to Settlers	12,192	..	12,192	5,870	..	5,870	1,497	7,367
Various	1,883,830	509	1,884,339	8,454	509	8,963	3,796	12,759
Total	42,918,185	509	42,918,694	82,357	509	82,866	176,299	259,165

Included in the total of \$259,165 overdue, is an amount of \$1,497 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 \$8,648,195. According to the Treasurer's accounts, the sum still to be repaid by the municipalities concerned, as at 30th June, 1968, was \$2,669,120.

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 \$10,132,565 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 \$6,183,782. Instalments of redemption and interest charges overdue at the same date totalled \$87,042.

Sewerage Authorities.—Advances of \$7,943,963 have been made from loan for capital works of country sewerage authorities, but \$4,346,722 of this amount has been transferred to the Capital Expenditure Borne by the State Account. Repayments amount to \$401,564 and the balance of liability at 30th June was \$3,195,677.

Mildura Trusts.—Loan advances to the First Mildura Irrigation Trust and the Mildura Urban Water Trust amount to \$4,562,665 of which there has been repaid \$148,420. Liability to the extent of \$3,139,201 has been transferred to the State and \$36,831 has been written off, leaving the balance of advances at 30th June, \$1,238,213.

Waterworks Trusts.—Of advances of \$36,541,390 from loan and \$67,249 from revenue, \$25,100,693 was still to be repaid at 30th June. At the same date, 54 trusts between them owed \$100,990 for redemption and interest charges. Further reference is made to waterworks trusts in the section relating to the 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 \$5,472,927, but liability to the extent of \$4,573,680 has been borne by the State. Further reference is made to these trusts in the section relating to the 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 \$173,580 including \$31,471 overdue instalments of redemption.

Disallowances and Surcharges.

In conformity with the provisions of Section 47 (1) (a) (v) of the *Audit Act 1958*, I furnish hereunder particulars of disallowances and surcharges still unsatisfied.

Date.	Department, &c.	Amount.	Disallowance or Surcharge.	Particulars.
2.2.68	Premier's Department— Tourist Development Authority	\$ 1,229.74	Surcharge ..	Revenue collections not properly brought to account at the Victorian Government Tourist Bureau, Adelaide.
4.4.68	Chief Secretary's Department—Police	1,859.70	Surcharge ..	Deficiency in Trust moneys at the Dandenong Police Station.
19.4.68	Exhibition Trustees ..	2,657.39	Surcharge ..	Deficiency in moneys under the control of the Exhibition Trustees. Part satisfaction has been made from the proceeds of a Fidelity Guarantee Insurance policy leaving an amount still unsatisfied of \$1,657.39.
23.5.68	Chief Secretary's Department—Police	85.00	Surcharge ..	Deficiency in collections from execution of warrants at Richmond South Police Station. Part satisfaction of \$56.57 has been made leaving an amount still unsatisfied of \$28.43.

Unsatisfied Audit Queries, &c.

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 the public moneys spent 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	..	..	..	..	..	..	..	605
1963-64	..	..	..	..	..	..	..	99,800
1964-65	..	..	..	..	..	..	..	134,900
1965-66	..	..	..	..	..	..	..	92,049
1966-67	..	..	..	..	..	..	..	11
1967-68	..	..	..	..	..	..	..	13,717

Advances to Departments, &c., not adjusted at 30th June, 1968, amounted to \$1,189,941. In respect of these advances and of expenditure from other advances which were adjusted by the Departments or Authorities concerned prior to 30th June, 1968, the Treasurer has not been acquitted to the extent of \$4,407,612.

Defalcations and Irregularities.

As required by Section 47 of the *Audit Act* 1958, particulars 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 are shown hereunder :—

CHIEF SECRETARY'S DEPARTMENT.

Exhibition Trustees.

A female book-keeper employed at the Exhibition Trustees' Office was found guilty of the theft of \$2,591.60 from the Trustees' funds and was sentenced to six months imprisonment. A notice of surcharge under Section 36 of the *Audit Act* was served on her.

Police Department.

Dandenong Police Station.—A first constable failed to account for the sum of \$1,859.70 collected at the Motor Registration Office, Dandenong. He was convicted on a charge of theft and released on a bond of \$250 to be of good behaviour for three years. He was dismissed from the Police Force. A notice of surcharge under Section 36 of the *Audit Act* was served on him for the amount involved.

Lancefield Police Station.—The first constable in charge of this station was charged with embezzlement of \$271 and with larceny as a bailee of \$84.70. The offences were proved and the constable was released on recognisance to appear before the Court of Petty Sessions, Lancefield, on 29th August, 1969, and to be of good behaviour in the meantime. He was suspended from duty on 23rd July, 1968. Disciplinary charges preferred against him have not yet been heard by the Police Discipline Board. Full restitution was made.

Motor Registration Branch.—An officer of this Branch misappropriated public moneys amounting to \$50,507.04. He was convicted on a charge of larceny as a public servant and was sentenced to five years imprisonment.

Swan Hill Police Station.—On 6th January, 1968, an amount of \$20 was found to be missing from the watch-house safe. Police investigations failed to establish responsibility for the loss.

Social Welfare Branch.

Youth Welfare Division.—Cash amounting to \$48.70, the earnings of a trainee, disappeared, presumed stolen, from the office of the Superintendent of Turana Youth Training Centre. Police were unable to find any trace of the money or establish who was responsible for the loss. The amount was recouped from Consolidated Revenue.

EDUCATION DEPARTMENT.

Head Office.—Three officers of the Accounts Branch were involved in the misapplication of public moneys amounting to \$634 from the Department's advance account. The Permanent Head dealt with one officer under the provisions of Section 55 (2) (a) of the *Public Service Act*. This officer was reprimanded and transferred from the Accounts Branch. The other officers were warned not to be involved in this manner in the future. There was no loss of Revenue.

Two remittances of \$5 each, forwarded by registered post and received by the Department, were not accounted for. A cleaner admitted to the police that she had stolen money in the Department. She pleaded guilty to four counts of larceny and the cases were adjourned for six months upon her entering into a \$40 good behaviour bond.

Schools.—Irregularities were detected in Official Accounts at eleven Primary Schools. Suitable disciplinary action was taken in all instances and police action is current in two of the cases. Arrangements are in course for full restitution of any shortages involved.

HEALTH DEPARTMENT.

Mental Hygiene Branch.

St. Nicholas Hospital.—A cash box containing \$8.10 and a number of books of meal tickets disappeared from the office at the hospital on 27th May, 1968. Enquiries by Carlton police failed to establish responsibility for the loss.

PREMIER'S DEPARTMENT.

Tourist Development Authority.

Ballarat Tourist Bureau.—A shortage of \$100 was discovered in the amount banked for 11th November, 1967. Inquiries having failed to establish personal responsibility for the shortage, the matter was referred to the police for investigation.

Essendon Airport Office.—Petty cash and postage stamps to the value of \$10 were found to be missing from this Office on 1st December, 1967. Police enquiries were unsuccessful. A recoup of \$10 was made from the Tourist Fund to cover the loss.

RAILWAY DEPARTMENT.

Seventy-four 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 \$3,390, \$399, \$300 and \$200, the cash and other deficiencies were comparatively small.

Forty-three of the charges were heard by the courts and thirty-one were dealt with by the Railways Board of Discipline.

A further shortage of \$2,900 at Newport Accounting Office was reported on 10th July, 1968, and an ex-employee has been charged before the courts.

ROYAL MELBOURNE INSTITUTE OF TECHNOLOGY.

A shortage of \$200 was discovered in the revenue collections for 28th June, 1968. An amount of \$200 was paid in by the officer accepting administrative responsibility. Investigations are proceeding.

STATE ELECTRICITY COMMISSION.

All losses or thefts of stores or materials reported during the year were investigated by officers of the Commission and referred to the police for enquiry. The most serious cases of theft related to non-ferrous metals, mainly copper and copper conductor from erected lines, depots and other field locations, and losses in this category amounted to \$18,500. Several Commission personnel were involved in cases of theft of tools and materials, and in serious cases, where guilt was established, services were terminated.

TREASURY.

Housing Commission.

Port Melbourne Sub-district Office.—On 27th June, 1968, a deficiency of \$999.92 was discovered in the collections of an Estate Officer. Full restitution was made promptly and the officer resigned.

UNIVERSITIES.

La Trobe.—A telephone cash box (contents unknown) was stolen from Glenn College on 22nd April, 1968. Police were notified.

Melbourne.—Cash amounting to \$617.08 was stolen from three different offices. The sum of \$563.08 was recovered from insurers.

Monash.—Four cases involving loss of cash amounting to \$487.25 occurred during the year. The sum of \$123.20 was recovered from insurers and a claim for recovery of the balance is in course.

STORES DEFICIENCIES (OTHER).

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

Department or Authority.	Location.	Items Lost or Stolen.	Value.	Remarks.
			\$	
Agriculture Department ..	Head Office	Electric Fan	18	} Police notified
		2 Boiler Suits	7	
	Royal Agricultural Showgrounds	Tarpaulin	20	
	Longerenong	Electric Motor	171	
	Burnley	Electric Fan	18	
	Kew	Trailer Canopy	66	
	Rutherglen	Air Cooled Motor	70	
	Scoresby	Air Pump	30	
	With private firm for repair	Telethermometer Probe	50	Insurance claimed
	Various	Fruit Fly Equipment ..	80	No proceedings taken, on legal advice Insurance claimed
Country Roads Board ..	Kew	Typewriter	132	} Police notified
	Donald	Compressor	50	
	Western Highway ..	Tools, Lubricants, Strip Heater	110	
Education Department ..	Various Schools	Equipment	3,801	Stolen and/or destroyed
Forests Commission ..	Various	Vehicle Parts and Tools	1,752	Police notified of thefts
La Trobe University ..	Bundoora	Tools and Equipment	682	Police notified. Insurance claimed
Melbourne and Metropolitan Board of Works	Various	Tools and Equipment	6,308	Written off
Mental Health Authority	Janefield	Washing Machine and Drying Cabinet	200	} Police notified
	Mont Park	Household Effects	60	
	Royal Park	Cook's Clothing	50	
Monash University ..	Clayton	Furniture, Furnishings and Equipment	3,398	Insurance claimed
Police Force	Criminal Investigation Branch	3 pairs Binoculars ..	39	Lost or stolen
Public Works Department	Custodians and Day Labor Gangs	Tools and Equipment ..	523	Written off
	Port Melbourne Store ..	4 Motor Truck Tyres ..	211	Police notified
Rural Finance and Settlement Commission	Heytesbury	Building Materials	102	} Police notified
		Tarpaulin	30	
Social Welfare Branch ..	Head Office	Dictation machine ..	50	} Police notified
	Turana	Electric Drill	20	
		Tools and Equipment ..	378	
	Malmsbury	Welding Equipment ..	60	
		Sweets, Cigarettes ..	20	
	Pentridge Prisoners' Canteen	Tobacco	180	
	Won Wron Prison ..	Motor Oil	27	Lost by seepage
State Rivers and Water Supply Commission	Various	Tools and Equipment ..	1,108	Police notified of thefts
Tourist Development Authority	Tourist Melbourne Bureau,	3 Films on Hire ..	120	Police investigated
Traffic Commission ..	Doncaster Road, Greythorn	2 Traffic Counters ..	1,400	Police advised
University of Melbourne ..	Parkville	Tobacco and Sweets	291	Recovered from Insurers Replaced
		Equipment	101	

Acknowledgment.

The increase in the number of audits to be carried out and the growth in the volume of business throughout the State's administration have continued to impose severe pressure on the staff of the Audit Office.

I express my appreciation of the response of my staff to their heavy commitments both in the course of the year's work and in the additional effort required for the production of this Report.

I also thank the officers of the Treasury and other Departments for their ready co-operation.

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

Melbourne, 31st October, 1968.

STATEMENT No. 1.

RECEIPTS AND EXPENDITURE FOR THE YEAR 1967-68.

Statement of the Receipts and Expenditure of the Consolidated Revenue, Loan Moneys and Advances on account of Loan Moneys*.

Receipts.		Expenditure.	
	\$	Revenue Expenditure—	\$
<i>Balance brought forward—</i>			
Loan Fund	591,784	Under Parliamentary Authority ..	599,320,325
		From Treasurer's Advance	4,801,681
			<u>604,122,006†</u>
Revenue for the year	601,328,373	<i>Loan Expenditure—</i>	
<i>Proceeds of Loans raised for Works, &c. . .</i>	139,700,000	Under Parliamentary Authority ..	147,623,341
Less Flotation Expenses, &c.	331,523	From Treasurer's Advance	759,870
	<u>139,368,477</u>		<u>148,383,211</u>
<i>Loan Repayments</i>	8,687,422	<i>Total Expenditure for the year</i>	752,505,217
	<u>148,055,899</u>		
<i>Deficit for the year</i>	2,793,633	<i>Balance carried forward—</i>	
		Loan Fund	264,472
			<u>752,769,689</u>

* Does not include \$33,765,534 advances from Commonwealth Government for Housing

† 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 1967-68 with that in the previous year.

1966-67.

1967-68.

Revenue.		Loan.		Nature of Expenditure.	Revenue.		Loan.		Total.	
—	Percentage of Gross Revenue.	—	Percentage of Loan Funds Available.		—	Percentage of Gross Revenue.	—	Percentage of Loan Funds Available.	—	Percentage of Total.
\$	%	\$	%		\$	%	\$	%	\$	%
234,289,932	41·87	60,938,306	42·87	Social— Education, Health, Welfare, Payments to Hospitals and Charities Fund, &c. . .	261,246,130	43·44	68,094,240	45·81	329,340,370	43·92
121,680,843	21·75	..	..	*Debt Charges— Interest, Sinking Fund, Repayments, (including Housing and Soldier Settlement)	131,199,385	21·83	..	..	131,199,385	17·50
98,580,045	17·61	16,466,489	11·58	Railways— †Working Expenses and Loan Expenditure	100,030,182	16·63	16,614,091	11·18	116,644,273	15·55
5,073,276	·91	..	..	Pensions	5,272,600	·88	..	..	5,272,600	·70
27,603,064	4·93	27,193,025	19·13	Primary Production— Agriculture, Lands, Soldier Settlement, Forests, Country Water Supply, &c. . .	30,132,121	5·01	29,373,898	19·76	59,506,019	7·94
31,239,247	5·58	3,024,157	2·13	Law and Order— Law, Police, Prisons, &c.	33,801,526	5·62	3,457,702	2·33	37,259,228	4·97
..	..	15,500,000	10·90	State Electricity Commission— Advances from Loan .. .. .	..	..	14,500,000	9·75	14,500,000	1·93
..	..	11,520,678	8·11	Other Public Works— Loan Works and Advances .. .. .	..	..	9,469,354	6·37	9,469,354	1·26
7,037,585	1·26	..	..	Pensions— Retired Officers, Officers' Widows, &c., excluding Railways	7,926,500	1·32	..	..	7,926,500	1·06
34,090,892	6·09	2,918,847	2·05	Other Expenditure	34,513,562	5·73	2,873,926	1·93	37,387,488	4·98
..	..	4,000,000	2·81	In Aid of Revenue .. .. .	..	..	4,000,000	2·69	4,000,000	·53
559,594,884	100·00	141,561,502	99·58	Total Expenditure from Consolidated Revenue and Loan	604,122,006	100·46	148,383,211	99·82	752,505,217	100·34
..	..	591,784	·42	Loan Funds carried forward	2,793,633	·46	264,472	·18	264,472	·03
..	..	..	..	Revenue Deficit .. .. .	..	..	..	..	2,793,633	·37
559,594,884	100·00	142,153,286	100·00	Total Revenue and Loan Proceeds available to meet Expenditure	601,328,373	100·00	148,647,683	100·00	749,976,056	100·00

* Includes Railway Debt Charges, 1966-67, \$4,891,191; 1967-68, \$5,746,582.

† Excludes Railway Debt Charges, 1966-67, \$4,891,191; 1967-68, \$5,746,582.

STATEMENT No. 3.

LOAN FUND.

ABSTRACT OF TRANSACTIONS FOR THE YEAR 1967-68.

				\$	\$
<i>Balance</i> of Loan Fund at 30th June, 1967	..	..	..	..	591,784
<i>Receipts—</i>					
Proceeds of Loans Raised—					
For Works, &c.	..	..	..	139,700,000	
For Redemption	..	..	..	177,238,677	
Loan Repayments	..	..	..	8,687,422	
				<u>325,626,099</u>	<u>325,626,099</u>
					<u>326,217,883</u>
<i>Disbursements—</i>					
Works, &c., Under Parliamentary Authority	..	..	..	143,623,341	
Works, &c., From Treasurer's Advance	..	..	..	759,870	
				<u>144,383,211</u>	
Funding Revenue Deficits	..	..	..	4,000,000	
Moneys applied to Redemption	..	..	..	176,960,977	
Flotation Expenses	..	..	..	331,120	
Conversion Bonus	..	..	..	278,103	
				<u>325,953,411</u>	<u>325,953,411</u>
<i>Balance</i> Loan Cash on Hand at 30th June, 1968	..	..	..	..	<u>264,472</u>

LIABILITY FOR LOANS.

				\$	\$
Liability to Commonwealth at 30th June, 1967	..	..	..	..	1,851,156,660
Loans raised in 1967-68—					
For Works, &c.	..	..	..	139,855,889	
For Redemption	..	..	..	181,458,312	
				<u>321,314,201</u>	<u>321,314,201</u>
					<u>2,172,470,861</u>
<i>Less</i> Loans Repurchased or Redeemed—					
By Redemption Loans	..	..	..	176,960,098	
By National Debt Sinking Fund	..	..	..	22,477,407	
				<u>199,437,505</u>	<u>199,437,505</u>
Liability to Commonwealth at 30th June, 1968	..	..	..	..	1,973,033,356
<i>Less</i> Cash at credit of National Debt Sinking Fund	..	..	..	..	<u>45,726</u>
Net Liability for Loans at 30th June, 1968	..	..	..	..	<u>*1,972,987,630</u>
Net Liability for Loans at 30th June, 1967	..	..	..	..	<u>1,850,496,754</u>
Increase in Net Liability for the year	..	..	..	..	<u>122,490,876</u>

* Does not include liability in respect of advances by the Commonwealth for Housing purposes, \$451,748,462, and for special assistance for Soldier Settlement, \$13,299,926.

STATEMENT No. 4.

TRUST FUND.

The Treasurer's liability on account of the Trust Fund, at 30th June, 1968, was :—

<i>Various funds as per Treasurer's Statement—</i>						\$
Amounts lodged and invested	..	..	..	..	..	54,674,150
General Account balances	..	..	..	..	..	79,075,173*
						133,749,323
<i>Represented by :</i>						
<i>Stocks and Securities—</i>						
Blue Moon Fruit Co-operative Ltd.—Shares	..	..	..	..	..	20
Camperdown—Glenormiston Dairying Co. Ltd.—Shares	..	..	..	..	..	140
City of Melbourne Inscribed Stock	..	..	..	..	..	42,000
Colonial Gas Holdings Ltd.—Registered Debenture Stock	..	..	..	..	..	1,000
Commonwealth Government Inscribed Stock, &c.	..	..	..	..	..	25,207,479
Gas and Fuel Corporation Registered Debenture Stock	..	..	..	..	..	973,700
Gas and Fuel Corporation of Victoria—Shares	..	..	..	..	..	15,188,872
Geelong Harbor Trust Debenture	..	..	..	..	..	118,408
Geelong Waterworks and Sewerage Trust Inscribed Stock	..	..	..	..	..	125,000
Grain Elevators Board Inscribed Stock	..	..	..	..	..	68,000
Home Finance Trust	..	..	..	..	..	290,000
Kyabram Co-operative Fruit Preserving Co. Ltd.—Shares	..	..	..	..	..	8,566
Melbourne Harbor Trust Inscribed Stock	..	..	..	..	..	130,000
Melbourne and Metropolitan Board of Works Inscribed Stock	..	..	..	..	..	2,783,500
Melbourne and Metropolitan Tramways Board Inscribed Stock	..	..	..	..	..	475,000
National Art Gallery and Cultural Centre Registered Debenture Stock	..	..	..	..	..	785,290
Pilot Vessel <i>Akuna</i> —Registered Mortgage Debenture	..	..	..	..	..	89,665
State Electricity Commission Inscribed Stock	..	..	..	..	..	2,230,860
State Savings Bank Deposit Stock	..	..	..	..	..	1,220,650
Victoria Pipelines Commission—Registered Debenture Stock	..	..	..	..	..	6,500,000
						56,238,150*
<i>Cash Advanced—</i>						\$
For Consolidated Revenue Deficit	..	..	..	..	..	4,032,418
For Other Advances	..	..	..	..	..	3,900,414
						7,932,832
For Revenue Deficit 1967–68	..	..	..	..	..	2,793,633
						10,726,465
Cash as per Treasurer's Statement	..	..	..	..	..	67,049,180
<i>Deduct—</i>						
Loan Fund Credit Balance	..	..	..	..	..	264,472
						66,784,708
						133,749,323

* 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 1967-68.

Receipts.		\$	Payments.		\$
<i>Paid to Revenue on account of Interest and Sinking Fund on Advances from the State's Loan Fund—</i>			<i>On Funded Debt—</i>		
State Electricity Commission	13,056,557		<i>Interest—</i>		
Country Roads Board	2,113,659		Melbourne	80,991,487	
Water, Sewerage, &c. Authorities	1,764,427		Overseas	4,242,675	
Rural Finance and Settlement Commission	1,229,793				
Land Settlement	951,796		<i>Less—Rebate State Savings Bank</i>	<i>500,000</i>	
Gas and Fuel Corporation	508,434				
King-street Bridge	125,729		<i>Expenses</i>	<i>84,734,162</i>	
Grain Elevators Board	106,318				
Miscellaneous	432,465				
		20,289,178			85,047,944
<i>Paid to Revenue—Other Interest—</i>			<i>Exchange on Overseas Interest</i>		1,459,855
Interest on Public Account	2,570,076		<i>Sinking Fund Contributions</i>		18,369,655
			<i>Loan Conversion Expenses</i>		62,054
<i>Less—Interest paid on Deposits</i>	<i>87,840</i>	2,482,236			
			<i>Debit to Consolidated Revenue (Part I.) on account of Debt Charges on Public Debt</i>		104,939,508
		22,771,414	<i>Debit to Consolidated Revenue (Part II.) on account of Railways</i>		5,746,582
<i>Paid to Revenue—Recoup of Interest, Principal, &c.—</i>			<i>On Other Loans—</i>		
<i>Other Loans.</i>			<i>Interest and Principal—</i>		
Commonwealth—State Housing Agreement—			Commonwealth—State Housing Agreement	19,883,956	
Housing Commission	16,140,196		Commonwealth Special Assistance Loans for Soldier Settlement	629,339	
Home Builders' Account	3,743,760				
Commonwealth—Special Assistance Loans for Soldier Settlement	629,339				
<i>Portion of Debt Charges to be met from Railway Income Balance—Amount which had to be met from Taxation and other sources</i>		82,168,094			20,513,295
		131,199,385			131,199,385

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.
	\$	\$	\$	\$	\$	\$	\$
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
1966-67 ..	1,792,718,520	98,028,772‡	23,423,162	74,605,610	5·4680	1·3065	4·1615
1967-68 ..	1,912,095,008	104,939,508‡	22,771,414	82,168,094	5·4882	1·1909	4·2973

* 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.
	\$	\$	\$	\$	\$	\$	\$
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
1966-67 ..	338,248,720	16,891,366	2,784,302	14,107,064	4·9938	·8232	4·1706
1967-68 ..	356,728,987	17,905,928	2,547,458	15,358,470	5·0195	·7141	4·3054

STATEMENT No. 6.

RAILWAY ACCOUNTS.

Statement of Railway Receipts and Expenditure, 1967-68, including Revenue and Loan Moneys.

Receipts.		Expenditure.	
<i>Revenue—</i>	\$	<i>Charged to Revenue—</i>	\$
Ordinary Income	98,269,852.32	Working Expenses	97,744,403.16
Treasury credit for concessions in certain Country Freight Charges	286,000.00	Commissioners' Salaries	46,950.00
Recoup Pensioners' Fares Concessions	200,000.00	Accident Fund	1,740,087.73
Recoup Kerang-Koondrook Tramway Act	30,393.00	Renewals and Replacements Fund	400,000.00
	<u>98,786,245.32</u>	Pensions and Gratuities	5,272,600.37
			<u>105,204,041.26</u>
		\$	
		Interest	5,377,275.89
		Sinking Fund Contribution	250,622.67
		Exchange on Overseas Interest	118,683.04
			<u>5,746,581.60*</u>
<i>Loan—</i>			110,950,622.86
Applied from the Loan Fund	16,614,091.09	<i>Charged to Loan—</i>	
		Way and Works	10,316,661.15
		Rolling-stock, Equipment, Machinery, and other Works	6,250,142.49
		Construction of new lines, &c.	47,287.45
			<u>16,614,091.09</u>
<i>Deficit—</i>			
Charged to Consolidated Revenue	12,164,377.54		
		Total	127,564,713.95
			<u>127,564,713.95</u>

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

The amount of \$569,906.38 provided from the Commonwealth Grant—Drought Relief 1967 Trust Account and expended on capital works, \$372,105.83, and maintenance, \$197,800.55, has not been included in the above statement.

STATEMENT NO. 6—*continued.*

The Expenditure charged to Revenue for the last three years and the deficiency in the Railway Receipts are shown in the following statement :—

Expenditure.	1965-66.	Per cent. of Revenue.	1966-67.	Per cent. of Revenue.	1967-68.	Per cent. of Revenue.
	\$		\$		\$	
Working Expenses	94,452,353	} 94·8	96,603,263	} 92·1	97,744,403	} 99·0
Commissioners' Salaries	39,575		41,700		46,950	
Railway Accident, &c., Fund	1,314,626	1·3	1,441,337	1·4	1,740,088	1·8
Renewals and Replacements Fund	400,000	·4	400,000	·4	400,000	·4
Pensions and Gratuities	4,944,573	5·0	5,073,276	4·8	5,272,600	5·3
National Debt Sinking Fund	175,707	·2	213,186	·2	250,623	·3
Interest	3,725,966	3·7	4,545,712	4·3	5,377,276	5·4
Exchange on Interest Payments in London..	129,000	·1	132,293	·1	118,683	·1
Railway Equalization Account .. .. .	..	..	..	..	..	..
	105,181,800	105·5	108,450,767	103·3	110,950,623	112·3
Receipts	99,672,866	100·0	104,989,344	100·0	98,786,245	100·0
Railway Equalization Account .. .. .	..	..	..	..	..	..
Deficiency	5,508,934	5·5	3,461,423	3·3	12,164,378	12·3

COUNTRY WATER SUPPLY.

RECEIPTS AND EXPENDITURE 1967-68.

	Receipts.		Expenditure.		Country Water Supply.	Total.
	\$	\$		State Development Account.	\$	\$
<i>Debt Charges—</i>		1,564,236				
Water Trusts and Other Corporations, &c.	Salaries and payments in the nature of salaries	..	5,798,646	
			General Expenses	..	1,275,464	
<i>Rates, &c.—</i>			Coliban District ..	..	201,032	
Coliban	..	611,689	Irrigation and Drainage Districts	..	2,337,621	
Waterworks Districts	..	1,290,927	Waterworks Districts	..	1,076,662	
Irrigation Districts	..	5,054,966	Flood Protection Districts	..	68,190	
Urban Districts	1,997,944	Removal of Sand Drift ..	..	102,708	
Flood Protection	..	96,504			10,860,323	
Miscellaneous	435,559	Commissioners' Salaries ..	..	38,250	
	Pensions and Gratuities ..	..	336,949	
	National Debt Sinking Fund	..	178,286	11,235,522
				
	..	9,487,589	Interest	13,033,681	3,728,818	857,205
<i>Recoups of Amounts paid from Revenue</i>	..	2,731,155	Exchange	213,643	62,057	
			Loan Conversion Expenses	8,135	2,389	
	..	12,218,744				
Total Revenue	..	13,782,980		13,255,459	3,793,264	17,048,723
				
<i>Loan—</i>			Total Revenue Expenditure	..	..	29,141,450
<i>Country Water Supply—</i>			Trusts, &c. (for Advances)	..	3,401,793	
Applied from the Loan Fund	..	3,673,344	Districts	13,125,936	97,887	
	Plant and Machinery	153,022	173,664	
<i>State Development Account—</i>			Latrobe Valley Water Supply	2,332	..	
Applied from the Loan Fund	..	13,281,290	Salt Affected Land—Acquisition, &c.	13,281,290	3,673,344	16,954,634
	..	16,954,634				
	Total Loan Expenditure	..	..	16,954,634
Net Cost to Taxation and Revenue from Other Sources	..	15,358,470				46,096,084
	..	46,096,084				

APPENDIX A.

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

Department or Public Authority.	Nature of Stores.	Value as at 30th June, 1968.
Departments—		\$
Agriculture	Machinery and Equipment Parts, Fuel, Seed, Publications	206,922
Chief Secretary—		
(a) Police Branch	Radio and Vehicle Parts, Clothing, Office Requisites	282,058
(b) Social Welfare Branch	Clothing, Bedding, Hardware, Materials for Manufacture	456,203
(c) Fisheries and Wildlife Branch	Publications, Motor Tyres, Field Equipment ..	5,375
Crown Lands and Survey	Implements, Equipment, Plans, Photographic Materials	714,784
Education	School Requisites, Books, Equipment, Office Requisites	986,424
Forests	Vehicle Parts, Tools, Fuel	373,171
Health	Hardware, Instruments, Drugs	65,681
Mental Health Authority	Bedding, Hardware, Clothing	755,333
Mines	Machinery, Tools, Tubing, Chemicals	450,278
Public Works	Mechanical and Electrical Equipment, Spare Parts, Furniture, Building Materials	738,838
Railways (including State Coal Mine)	Engineering, Refreshment Services, General Stores ..	8,733,824
Treasurer—Government Printer	Paper, Stationery, Publications	1,345,794
Water Supply	Machinery Parts, Tools, General Stores	2,263,626
Public Authorities—		
Cancer Institute	Medical, Technical and General Stores	68,580
Council of Adult Education	Theatrical Equipment	18,435
Country Fire Authority	Fire Appliances, Hose, Spare Parts, Uniforms ..	133,807
Country Roads Board	Vehicle Parts and Accessories, Camping Equipment, General Stores	940,841
Egg and Egg Pulp Marketing Board	Eggs, Packing Materials, Spare Parts	578,535
Gas and Fuel Corporation	Gas Appliances, Fittings, General Stores	4,152,876
Geelong Harbor Trust	Engineering and Maintenance Stores	40,088
Housing Commission	Building Materials, Spare Parts	492,464
La Trobe University	Stationery, &c.	14,270
Latrobe Valley Water and Sewerage Board	Construction Materials, Pipes, Spare Parts ..	29,785
Melbourne and Metropolitan Board of Works	Engineering Stores, Spare Parts, Pipes, Meters ..	3,491,200
Melbourne and Metropolitan Tramways Board	Engineering Stores and Parts, Uniforms, Stationery ..	700,348
Melbourne Harbor Trust	Maintenance and Engineering Stores	833,133
Metropolitan Fire Brigades Board	Fire Appliances, Electrical and Engineering Stores, Uniforms	211,000
Monash University	Building Materials, Stationery, Books	274,968
Portland Harbor Trust	Maintenance and Engineering Stores	59,842
Rural Finance and Settlement Commission	Constructional and General Stores	84,003
State Electricity Commission	Electrical, Maintenance and Constructional Stores ..	8,662,400
State Relief Committee	Clothing, Bedding, Hardware, Provisions	74,208
Transport Regulation Board	Stationery and Office Requisites	42,535
University of Melbourne	Building Materials, Stationery, Chemicals, Glassware	65,408
Victorian Inland Meat Authority	Livestock, Meat, Packing Materials, General Stores	106,372
	Total	38,453,409

APPENDIX B-1.

ENDOWMENTS AND GRANTS.

	1966-67.	1967-68.	+ Increase - Decrease
	\$	\$	\$
Social—			
Alcoholism Foundation of Victoria	10,000	10,000	..
Alexander Miller Memorial Homes Trust	5,000	5,000	..
Australia Day Council	2,500	2,500	..
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	356,000	375,000	+ 19,000
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	42,500	42,500	..
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	..
Playgrounds and Recreation Association of Victoria	12,000	12,000	..
Probation Officers' Association	800	800	..
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	3,240	3,346	+ 106
State Relief Committee	52,000	57,000	+ 5,000
Surf Life Saving Association of Australia	16,000	16,000	..
United Nations Association of Australia	1,000	1,000	..
Victorian Amateur Swimming Association	2,000	2,000	..
Victorian Council of Social Services	4,000	9,000	+ 5,000
Victorian Family Council	1,000	1,000	..
Victorian Nursing Council	24,000	29,000	+ 5,000
Walter and Eliza Hall Research Institute	72,000	72,000	..
Young Christian Workers Movement	2,000	2,000	..
Young Farmers' Clubs Association	39,000	41,390	+ 2,390
Young Men's Christian Association	4,000	4,000	..
Cultural—			
Bands	4,800	4,800	..
Children's Free Libraries	10,000	10,000	..
Country Art Galleries	28,500	44,967	+ 16,467
Country Free Libraries	18,000	18,000	..
Cultural Development	174,580	170,780	- 3,800
Melbourne Symphony Orchestra	85,000	75,000	- 10,000
Municipal and Regional Libraries	1,097,873	1,171,473	+ 73,600
Orchestral Concerts	28,870	30,760	+ 1,890
Sundry—			
Australian Association of Neurologists	10,000	..	- 10,000
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	6,000	6,000	..
British Memorial Foundation	200	200	..
Cemeteries, Improvement and Maintenance	14,000	16,000	+ 2,000
Commonwealth Parliamentary Association—Victoria Branch	14,288	14,588	+ 300
Guide Dog Owners and Friends Association	1,000	1,000	..
Kerang Agricultural Research Farm	1,000	2,000	+ 1,000

ENDOWMENTS AND GRANTS—*continued.*

	1966-67.	1967-68.	+ 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	..
Nurses Memorial Centre	4,000	4,000	..
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	1,200	1,200	..
Victorian Piscatorial Council	2,514	2,630	+ 116
Victorian Rural Fire Brigades Association	2,000	2,000	..
Victorian Urban Fire Brigades Association .. ..	..	2,000	+ 2,000
Water Research Foundation of Australia Ltd.	10,000	12,500	+ 2,500
Women's Prison Council	100	100	..
Zoological Board of Victoria	23,000	23,000	..
Total	2,369,265	2,467,834	+ 98,569

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 B-2.

APPENDIX B-2.

CULTURAL DEVELOPMENT ALLOCATIONS, 1967-68.

	\$
Altona Drama Group	50
Ararat Golden Gateway Festival	200
Ararat Music Club	200
Astra Chamber Orchestral Society	1,200
Australian Boys' Choir	200
Australian Elizabethan Theatre Trust	80,000
Australian National Theatre Limited	25,000
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	350
Ballarat Lyric Theatre	100
Ballarat Music Lovers' Club	100
Ballarat Orchestra Association	500
Beaumaris Art Group	100
Beechworth Music Group	100
Bendigo Competitions Society	1,400
Bendigo Music Advancement Society	500
Bendigo Music Lovers' Club	150
Bendigo Operatic Society	200
Bendigo Shakespeare Literary Society	50
Boort Music, Literature and Arts Society	100
Box Hill City Repertory Company	50
Bright Music and Drama Group	50
Brunswick City Choral Society	50
Camberwell City Philharmonic Society	200
Camperdown Musical Society	300
"Carols by Candlelight", Melbourne	1,000
Casterton Music Circle	100
Castlemaine Light Opera Company	100
Caulfield Players	100
Children's Theatre Guild	1,000
City of Nunawading Festival of Arts	100
Colac Music Lovers' Club	150
Coleraine Choral Society	100
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	600
Fern Tree Gully Arts Society	200
Fern Tree Gully, Knox and Mountain District Music and Arts Festival	300
Foster Film, Art, Music and Drama Association	150
Frankston Theatre Group	300
Garrick Repertory Company	100
Geelong Association of Music and Art	1,000
Geelong Society of Operatic and Dramatic Art	500
Gilbert and Sullivan Society of Victoria	100
Golden Square Choral Society	100
Hamilton Arts Council	600
Hartwell Eisteddfod Committee	300
Heathcote Musical Society	50
Heidelberg City Choir	100
Heidelberg City Repertory Group	400
Horsham Arts Council	400
Horsham Music Club	50
Horsham Orchestral Society	50
Kerang Drama Group	50
Kerang Music Society	50
Kew Philharmonic Society	150
Kyabram Music Club	50
Kyneton Choral Society	100
Kyneton Lions Club Music and Drama Festival	200

APPENDIX B-2—continued.

	\$
Latrobe Light Opera Society	100
Latrobe Valley Eisteddfod	600
Library Week Committee	200
Malvern Arts Council	100
Maryborough Arts Society	500
Melba Memorial Conservatorium of Music	1,500
Mildura Little Theatre	50
Mirboo North Dramatic Club	50
Mitcham Repertory Group	50
Moe City Choir	50
Moomba Festival	10,000
Moorabbin City Theatre Group	100
Mordialloc City Philharmonic Society	200
Mordialloc Eisteddfod	100
Mordialloc Theatre Group	50
Mornington Eisteddfod	200
Morwell Art Group	50
Morwell Male Choir	50
Morwell Players	100
Mount Beauty Drama Group	50
Musica Viva Society of Australia	4,000
National Theatre Movement (Ballarat Branch)	600
National Theatre Movement (Swan Hill Branch)	600
Newtown and Chilwell Highland Gathering Committee	200
Nhill Musical and Drama Group	50
Northcote Dramatic Society	100
Oriana Madrigal Choir	100
Peninsula Arts Society	100
Peninsula Light Operatic Society	200
Peninsula Music Society	50
Pilgrim Theatre	150
Portland Council for the Encouragement of Music and the Arts	200
" Q " Theatre Guild	400
Red Cliffs Players	50
Ringwood Arts and Crafts	100
Rochester Music and Drama Circle	50
Royal South Street Society	5,000
St. Arnaud Drama Group	100
St. John's Competitions, Ballarat	250
Sale Eisteddfod Society	400
Sale Repertory Group	100
Seymour Music Club	100
Shepparton Dramatic Society	100
Shepparton Musical Advancement Society	800
Shepparton Symphony Orchestra	430
South Gippsland Eisteddfod	100
South Melbourne City Philharmonic Society	50
Strathmore Orchestral Society	50
Strathmore Theatrical Arts Group	100
Thespians (Yallourn) Dramatic Society	100
Thorpdale Drama Group	50
Traralgon Music, Drama and Art Society	300
Victorian Artists Society	1,000
Victorian Ballet Guild	7,500
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
Warrandyte Arts Association	300
Warrnambool City Musical Society	100
Warrnambool Theatre Group	200
Wendouree Arts Council	50
Western Philharmonic Society	100
Williamstown Light Opera Company	200
Williamstown Little Theatre Movement	300
Yallourn Madrigal Singers	50
Yallourn Orchestral and Choral Society	200
TOTAL	170,780

APPENDIX C.

SUMMARY OF RECEIPTS AND PAYMENTS FOR YEAR ENDED 30TH JUNE, 1968, 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	4,918	..	496	5,414	99,274	27,392	4,275	130,941	125,527
Agricultural College, Dookie ..	79,480	50,010	25,506	154,996	359,036	172,016	52,864	583,916	428,920
Agricultural College, Dookie, Stock Trading Account	25,731	..	25,731	..	5,144	..	5,144	Cr. 20,587
Agricultural College, Longerenong ..	34,220	21,116	11,198	66,534	184,872	75,328	36,946	297,146	230,612
Agricultural College, Longerenong, Stock Trading Account	3,357	..	3,357	..	3,319	..	3,319	Cr. 38
Dairy College, Glenormiston	13,769	1,161	14,930	27,722	14,946	8,446	51,114	36,184
Dairy College, Glenormiston, Stock Trading Account	13,713	..	13,713	..	8,730	..	8,730	Cr. 4,983
Gilbert Chandler Institute of Dairy Technology, Werribee	588	3,360	3,948	20,390	24,944	679,001	724,335	720,387
Dairy Research Station, Ellinbank	14,319	2,867	17,186	54,376	22,132	62,332	138,840	121,654
Dairy Research Station, Ellinbank, Stock Trading Account	11,331	..	11,331	..	6,363	..	6,363	Cr. 4,968
Research Station, Mildura	8,738	12	8,750	9,567	12,784	59,375	81,726	72,976
Research Station, Scoresby	18,089	341	18,430	55,830	24,911	35,344	116,085	97,655
Research Station, Tatura	18,136	6,024	24,160	54,310	35,429	13,842	103,581	79,421
Potato Research Station, Healesville	2,505	554	3,059	38,639	16,707	24,067	79,413	76,354
Healesville Stock Trading Account	5,432	..	5,432	..	4,901	..	4,901	Cr. 531
Viticultural Station, Rutherglen	8,851	503	9,354	30,115	8,105	5,270	43,490	34,136
Research Station, Rutherglen	11,902	4,126	16,028	68,795	32,246	36,994	138,035	122,007
Research Station, Rutherglen, Stock Trading Account	39,575	..	39,575	..	19,943	..	19,943	Cr. 19,632
Research Farm, &c., Werribee	25,348	32,346	57,694	188,208	133,259	49,585	371,052	313,358
Research Farm, &c., Werribee, Stock Trading Account	29,781	..	29,781	..	24,544	..	24,544	Cr. 5,237
Mallee Research Station, Walpeup	6,226	6,558	12,784	36,587	19,413	14,762	70,762	57,978
Mallee Research Station, Walpeup, Stock Trading Account	6,731	..	6,731	..	817	..	817	Cr. 5,914
Tobacco Research Station, Myrtleford	369	369	11,113	3,467	995	15,575	15,206
Tobacco Research Station, Myrtleford, Stock Trading Account	3,144	..	3,144	..	..	..	..	Cr. 3,144
Pastoral Research Station, Hamilton	225	853	1,078	36,623	32,642	83,862	153,127	152,049
Pastoral Research Station, Hamilton, Stock Trading Account	31,804	..	31,804	..	27,760	..	27,760	Cr. 4,044
Irrigation Research Station, Kyabram	12,856	1,076	13,932	35,529	13,950	17,178	66,657	52,725
Irrigation Research Station, Kyabram, Stock Trading Account	9,843	..	9,843	..	7,012	..	7,012	Cr. 2,831
Veterinary Research Institute "Attwood", Broadmeadows	543	4	547	2,279	2,284	18,192	22,755	22,208
Vegetable Research Station, Frankston	20	20	9,506	4,958	21,977	36,441	36,421
Wheat Research Institute, Horsham	10,271	1,014	1,087	12,372	12,372
	118,618	393,663	97,374	609,655	1,333,042	786,460	1,226,394	3,345,896	2,736,241

Receipts and Payments in respect of Trust Funds affecting the institutions have not been included in the above statement.

Agricultural Colleges, Dookie and Longerenong Stock Trading Accounts—The above statement does not include payments to Consolidated Revenue amounting to \$28,000 (Dookie, \$20,000, Longerenong, \$8,000), being surplus funds in these Stock Trading Accounts (Act No. 6194, Section 9A (5) (b) as amended).

APPENDIX D.

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

NOTE:—1967-68 shown in heavy type.
1966-67 shown in light type.

Expenditure	Adminis- tration	Teachers Tribunal	Primary Schools	Secondary Schools	Technical Schools and Colleges of Advanced Education	Special Schools and Hostels Attached Thereeto	Corres- pondence Schools	Special Activities (Library, Music, Visual Education, &c.)	Teachers' Colleges	Teachers' Colleges Hostels	Universi- ties	Registered Schools	Miscel- laneous	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Salaries—Teaching Service	1,162,510 1,016,264	..	48,129,060 43,539,147	32,713,024 28,404,269	19,451,480 17,085,619	1,692,147 1,462,660	433,937 394,688	2,781,689 2,913,767	3,452,438 2,872,614	6,528 8,060	..	..	..	110,022,813 97,697,088
Salaries—General Administration and Clerical Assistance	1,274,450 1,158,043	49,824 40,517	10,155 9,146	844,807 761,597	..	4,847 897	35,878 29,742	150,324 137,341	118,838 113,550	43,317 43,717	..	..	..	2,532,440 2,294,550
Pay-roll Tax	61,887 52,549	1,281 979	1,272,191 1,097,733	907,640 747,772	502,721 412,926	45,231 37,079	11,801 10,307	75,695 74,354	95,125 75,100	11,957 10,711	..	..	..	2,984,829 2,519,510
Workers' Compensation Insurance	10,700 11,168	224 208	222,485 233,287	158,731 158,914	87,918 87,754	7,910 7,880	2,064 2,190	13,238 15,802	70,034 70,147	2,091 2,276	..	..	..	575,395 589,626
Allowances—Students in Training .. .. .	..	..	..	..	..	..	..	..	11,875,097 10,550,155	..	..	..	..	11,875,097 10,550,155
Travelling Expenses and Allowances, &c.	94,595 96,275	230 554	62,302 61,521	31,753 25,318	124,733 105,379	10,514 7,268	1,581 1,367	83,690 79,031	29,790 22,454	..	..	1,325 1,408	..	440,513 400,575
Libraries—Grants and Subsidies .. .. .	..	..	177,033 131,954	103,620 45,230	40,539 20,122	2,256 1,366	60	5,144 1,652	54,645 31,000	..	..	..	..	383,297 231,518
School and Office Equipment and Requisites	156,855 151,041	940 671	419,326 391,098	861,665 778,264	16,351 16,482	23,120 27,108	46,952 71,865	126,773 122,862	176,512 147,621	..	..	66,483 77,927	..	1,995,177 1,784,939
Text Books, Publications, Examination Expenses, Postage and Telephone Expenses, Incidentals	194,188 168,281	3,972 1,775	47,445 46,586	30,129 42,953	119,647 99,138	2,690 4,140	7,929 8,631	276,682 292,733	36,778 36,974	..	..	..	..	719,460 701,211
School Cleaning and Services	2,304 2,945	..	3,088,813 2,804,241	2,662,375 2,387,131	9,560 9,669	77,998 66,388	3,649 3,792	19,649 14,383	190,080 167,298	..	..	..	..	6,054,428 5,455,847
Conveyance of Pupils .. .. .	..	..	2,192,093 2,021,591	2,795,101 2,541,985	1,093,188 966,316	153,311 134,129	..	10,157 9,444	..	..	..	1,390,668 1,266,083	7,835 7,092	7,642,353 6,946,640
Bursaries, Scholarships and Maintenance Allowances	3,582 3,466	..	5,101 8,854	1,174,851 1,113,765	473,454 453,370	1,548 1,760	179 584	721 500	5,250 5,781	..	20,401 24,336	1,165,030 1,149,638	963 1,329	2,851,080 2,763,383
Operating Costs—Hostels and Residential Camps .. .. .	..	..	..	..	..	30,244 38,335	..	54,887 49,865	..	869,428 767,642	..	..	..	954,559 855,842
Buildings and Residences—Capital Expenditure	81,909 9,062	..	7,392,742 7,456,169	8,833,829 7,516,571	7,554,668 6,139,241	342,979 4,005	155	9,766 403	609,740 826,562	52,111 28,754	..	..	..	24,877,899 21,980,767
Buildings and Residences—Maintenance Expenditure	89	..	3,235,458 2,868,386	1,079,443 941,694	805,430 717,796	45,239 9,691	166	2,814 410	228,113 130,399	51,397 46,602	..	..	..	5,448,149 4,714,978
Sites and Properties—Purchase of .. .. .	..	..	919,112 1,078,686	735,282 677,047	523,592 425,348	50,529 119	..	..	54,746 155,945	..	..	..	..	2,273,261 2,337,145
Grants, &c.	185,773 175,300	..	443 1,385	2,626 3,083	11,324,656 9,100,961	4,700 4,700	..	28,787 23,732	95,000 88,000	..	19,429,549 18,122,034	2,976,463 25,574	..	34,047,997 27,544,769
Fees—Universities and other .. .. .	..	..	..	..	..	..	..	..	681,573 532,802	..	..	..	..	681,573 532,802

Pensions, &c., to Retired Teachers and Officers	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	3,772,573	3,346,759
Total Expenditure	3,228,142	56,471	67,173,759	52,924,876	42,327,937	2,495,263	544,351	3,640,016	17,773,759	1,036,829	19,449,950	5,600,169	3,781,371	220,032,893	193,248,104	..	..	..	..	3,772,573	3,346,759
Receipts (Net)	2,844,588	44,704	61,749,784	46,145,593	35,640,121	1,807,525	523,166	3,736,279	15,826,402	907,762	18,146,370	2,520,630	3,355,180	193,248,104	..	..	..	..	..	..	..
Tuition Fees	..	..	567	166,603	..	400	2,224	780	23,013	..	..	..	..	193,587	151,051	..	..	..	..	..	..
Rents	11,052	..	307,013	121,775	52,129	3,106	..	2,203	6,641	..	..	..	..	503,919	415,013	..	..	..	..	..	..
Board—Students in Training, etc.	8,394	..	258,939	97,925	40,094	1,925	..	2,682	5,054	..	..	..	..	..	..	..	..	..	..	..	..
Broken Bond Payments	..	..	..	..	..	4,052	..	32,008	..	549,210	..	..	..	585,270	565,815	..	..	..	..	..	..
Commonwealth Grant on account of recurrent expenditure for Advanced Education	143,065	..	..	..	..	5,133	..	33,630	..	527,052	..	..	..	143,065	112,754	..	..	..	..	..	..
Recoups from Registered Schools—Equipment	112,754	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Miscellaneous	34,495	..	28,054	7,677	6,818	207	22	105,524	8,363	..	..	..	..	2,346,880	1,105,900	..	..	..	..	..	..
Total Receipts	188,612	..	335,634	296,055	2,405,827	7,765	2,246	140,515	38,017	549,210	..	102,085	..	4,065,966	2,603,182	..	..	..	..	..	..
Net Expenditure	3,039,530	56,471	66,838,125	52,628,821	39,922,110	2,487,498	542,105	3,499,501	17,735,742	487,619	19,449,950	5,498,084	3,781,371	215,966,927	190,644,922	..	..	..	..	..	..
	2,697,619	44,704	61,464,545	45,903,456	34,485,195	1,799,587	521,060	3,575,508	15,806,021	380,710	18,146,370	2,465,608	3,354,539	190,644,922	..	..	..	..	..	..	..

APPENDIX E.

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.	+ Increase - Decrease
Division.	Sub-Division.	Item.				
PART I.						
PARLIAMENT.						
			\$	\$		\$
2	2	1	<i>Legislative Assembly—</i>			
		4	Travelling and subsistence	1,650	1,710	+ 60
			Postal and telephone expenses	600	540	- 60
5	1		<i>Parliament Library—</i>			
		2	Salaries and allowances	23,372	23,400	+ 28
		3	Overtime and penalty rates	260	232	- 28
6	2		<i>Parliamentary Debates—</i>			
		1	Travelling and subsistence	750	908	+ 158
		2	Office requisites and equipment, printing and stationery	750	618	- 132
		3	Books and publications, other incidental expenses	250	239	- 11
		4	Postal and telephone expenses	60	45	- 15
PREMIER.						
7	2		<i>Governor's Office—</i>			
		3	Books and publications, other incidental expenses	700	753	+ 53
		4	Postal and telephone expenses	1,610	1,557	- 53
8	2		<i>Premier's Office—</i>			
		1	Travelling and subsistence	14,000	13,899	- 101
		3	Books and publications, other incidental expenses	8,990	7,639	- 1,351
		4	Postal and telephone expenses	7,150	5,845	- 1,305
		7	Expenses of entertainment of visitors, &c., late sittings of Parliament, funerals, memorials, &c.	30,000	32,656	+ 2,656
		8	Air travel of Members of Parliament, Ministers, &c., fares over Commonwealth Railways	10,000	10,101	+ 101
9	2		<i>State Film Centre—</i>			
		1	Travelling and subsistence	2,350	2,396	+ 46
		2	Office requisites and equipment, printing and stationery	5,420	5,124	- 296
		3	Books and publications, other incidental expenses	4,200	3,775	- 425
		4	Postal and telephone expenses	2,900	3,400	+ 500
		5	Motor vehicles—Purchase and running expenses	3,000	3,175	+ 175
10	1		<i>Soil Conservation Authority—</i>			
		1	Salaries and allowances	482,158	482,178	+ 20
		2	Overtime and penalty rates	1,000	980	- 20
		2	Travelling and subsistence	20,650	21,037	+ 387
		2	Office requisites and equipment, printing and stationery	5,900	7,212	+ 1,312
		3	Books and publications, other incidental expenses	14,800	13,101	- 1,699
14	1		<i>Audit Office—</i>			
		1	Salaries and allowances	467,801	468,833	+ 1,032
		2	Overtime and penalty rates	6,000	4,968	- 1,032
		2	Travelling and subsistence	16,620	17,344	+ 724
		5	Motor vehicles—Purchase and running expenses	3,500	2,776	- 724
CHIEF SECRETARY.						
15	1		<i>Chief Secretary's Office—</i>			
		2	Salaries and allowances	185,757	186,039	+ 282
		3	Overtime and penalty rates	4,000	3,007	- 993
		4	Payments in lieu of long service leave	1,316	2,027	+ 711
		2	Travelling and subsistence	3,000	1,670	- 1,330
		2	Office requisites and equipment, printing and stationery	22,350	23,914	+ 1,564
		3	Books and publications, other incidental expenses	3,000	5,283	+ 2,283
		4	Postal and telephone expenses	1,730	1,996	+ 266
		5	Motor vehicles—Purchase and running expenses	4,320	1,537	- 2,783
		3	Commissions and Boards of Enquiry	5,000	3,833	- 1,167
		8	Country Art Galleries—Grants	43,800	44,967	+ 1,167
16	1		<i>Totalizator Administration—</i>			
		1	Salaries and allowances	30,419	30,440	+ 21
		2	Overtime and penalty rates	50	29	- 21
		2	Travelling and subsistence	5,900	6,109	+ 209
		2	Office requisites and equipment, printing and stationery	300	99	- 201
		3	Books and publications, other incidental expenses	1,850	1,842	- 8
20	2		<i>Fisheries and Wildlife—</i>			
		1	Travelling and subsistence	37,200	38,700	+ 1,500
		2	Office requisites and equipment, printing and stationery	9,000	10,313	+ 1,313
		3	Books and publications, other incidental expenses	11,500	9,079	- 2,421
		4	Postal and telephone expenses	11,530	12,730	+ 1,200
		6	Fuel, light, power and water	6,150	7,258	+ 1,108
		7	Fish hatcheries—Operating expenses	30,000	27,300	- 2,700
21	2		<i>Government Shorthand Writer—</i>			
		2	Office requisites and equipment, printing and stationery	780	760	- 20
		4	Postal and telephone expenses	170	190	+ 20
22	1		<i>Government Statist—</i>			
		1	Salaries and allowances	336,099	336,194	+ 95
		2	Overtime and penalty rates	13,500	13,405	- 95
		2	Office requisites and equipment, printing and stationery	33,600	32,377	- 1,223
		4	Postal and telephone expenses	14,650	15,873	+ 1,223
23	1		<i>Social Welfare Administration and Research and Statistics—</i>			
		1	Salaries and allowances	181,514	180,912	- 602
		2	Overtime and penalty rates	5,000	5,602	+ 602
		2	Travelling and subsistence	1,630	1,913	+ 283
		5	Motor vehicles—Purchase and running expenses	850	567	- 283
24	2		<i>Family Welfare—</i>			
		5	Motor Vehicles—Purchase and running expenses	11,000	12,250	+ 1,250
		6	Fuel, light, power and water	28,700	35,000	+ 6,300
		8	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	2,164,000	2,156,450	- 7,550
		3	Family Welfare Advisory Council—Fees and travelling expenses	1,500	1,358	- 142
		2	Rail travel for parents visiting wards in institutions	5,000	5,142	+ 142
25	2		<i>Youth Welfare—</i>			
		1	Travelling and subsistence	15,500	13,910	- 1,590
		2	Office requisites and equipment, printing and stationery	6,250	6,617	+ 367
		3	Books and publications, other incidental expenses	1,900	3,596	+ 1,696
		4	Postal and telephone expenses	11,250	10,579	- 671
		5	Motor vehicles—Purchase and running expenses	14,400	15,550	+ 1,150
		6	Fuel, light, power and water	55,000	54,374	- 626
		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	281,500	281,174	- 326
26	1		<i>Prisons—</i>			
		1	Salaries and allowances	1,643,543	1,645,997	+ 2,454
		2	Overtime and penalty rates	325,000	322,546	- 2,454
		2	Travelling and subsistence	22,000	22,005	+ 5
		5	Motor vehicles—Purchase and running expenses	34,000	33,995	- 5
27	2		<i>Training—</i>			
		2	Office requisites and equipment, printing and stationery	3,000	4,484	+ 1,484
		4	Postal and telephone expenses	1,650	1,585	- 65
		5	Motor vehicles—Purchase and running expenses	575	640	+ 65
		6	Training equipment and materials	18,000	16,516	- 1,484
		3	Social Welfare Training Council—Fees and travelling expenses	1,150	1,086	- 64
		1	Bursaries to students in youth leadership and child care	12,875	12,923	+ 48
		3	Fees to lecturers in youth leadership and child care	5,000	5,016	+ 16

APPENDIX E.—continued.

Vote.			Particulars.	Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase - Decrease
Division.	Sub- Division.	Item.				
CHIEF SECRETARY—continued.						
				\$	\$	\$
28	..	..	<i>Probation and Parole—</i>			
	1	1	Salaries and allowances	236,226	235,111	- 1,115
		2	Overtime and penalty rates	25,000	26,115	+ 1,115
	2	1	Travelling and subsistence	18,000	17,700	- 300
		3	Books and publications, other incidental expenses	1,000	763	- 237
		4	Postal and telephone expenses	3,300	4,444	+ 1,144
		5	Motor vehicles—Purchase and running expenses	4,185	3,578	- 607
	3	1	Advances to probationers	400	354	- 46
		4	Youth Parole Board—Expenses and fees to members	2,500	2,546	+ 46
29	..	..	<i>Police—</i>			
	1	1	Salaries and allowances	21,214,126	21,225,013	+ 10,887
		2	Overtime and penalty rates	315,000	304,113	- 10,887
	2	1	Travelling and subsistence	540,000	538,192	- 1,808
		2	Office requisites and equipment, printing and stationery	223,000	203,997	- 19,003
		3	Books and publications, other incidental expenses	155,000	197,204	+ 42,204
		4	Postal and telephone expenses	472,000	496,989	+ 24,989
		5	Motor vehicles—Purchase and running expenses	825,250	790,081	- 35,169
		6	Fuel, light, power and water	230,500	230,491	- 9
		7	Personal equipment, uniforms, clothing and bedding	125,750	121,867	- 3,883
		8	Radio, photographic and scientific equipment and materials, including installation of communications relative to D.24	67,000	58,378	- 8,622
		9	Contribution to Central Fingerprint Bureau, Sydney, and International Criminal Police Organization	45,100	44,798	- 302
		10	Transport of prisoners, search parties and traffic school—Travelling expenses, &c.	56,000	54,075	- 1,925
		11	Training equipment and materials	1,100	897	- 203
		12	Burials	8,000	11,171	+ 3,171
		13	Provisions for police hospital	6,000	6,760	+ 760
		14	Police Long Service and Good Conduct Medals	200	..	- 200
31	..	..	<i>State Library, National Gallery, National Museum and Institute of Applied Science Administration—</i>			
	1	1	Salaries and allowances	179,471	177,688	- 1,783
		2	Overtime and penalty rates	13,670	15,453	+ 1,783
	2	1	Travelling and subsistence	415	553	+ 138
		5	Fuel, light, power and water	26,000	25,862	- 138
33	..	..	<i>National Gallery—</i>			
	2	3	Books and publications, other incidental expenses	4,500	6,500	+ 2,000
		4	Postal and telephone expenses	5,500	3,500	- 2,000
		6	Fuel, light, power and water	60,000	57,507	- 2,493
		8	Works of Art	18,000	20,493	+ 2,493
35	..	..	<i>Institute of Applied Science</i>			
	1	1	Salaries and allowances	72,737	73,059	+ 322
		2	Overtime and penalty rates	460	138	- 322
	2	5	Motor vehicles—Purchase and running expenses	290	369	+ 79
		6	Furniture and fittings, display and other equipment, exhibits, &c.	10,000	9,921	- 79
36	..	..	<i>Immigration—</i>			
	1	1	Salaries and allowances	63,620	63,944	+ 324
		2	Overtime and penalty rates	3,600	3,276	- 324
LABOUR AND INDUSTRY.						
37	..	..	<i>Labour and Industry</i>			
	1	2	Salaries and allowances	1,001,672	1,004,989	+ 3,317
		4	Payments in lieu of long service leave	24,056	20,739	- 3,317
		4	Payments in lieu of long service leave	59,500	56,636	- 2,864
	2	1	Travelling and subsistence	80,000	85,580	+ 5,580
		2	Office requisites and equipment, printing and stationery	3,500	4,504	+ 1,004
		3	Books and publications, other incidental expenses	33,500	34,000	+ 500
		4	Postal and telephone expenses	10,500	8,861	- 1,639
		5	Motor vehicles—Purchase and running expenses	15,000	12,419	- 2,581
		6	Expenses of Boards and Industrial Appeals Court	4,490	4,447	- 43
	3	1	Apprenticeship Commission—Fees and allowances	2,500	1,151	- 1,349
		2	Industrial Appeals Court—Remuneration of President, Deputy President, Members and Deputy Members	1,200	1,750	+ 550
		3	Expenses of Apprenticeship Week	450	420	- 30
		4	Industrial Safety Advisory Council—Fees of members and expenses	1,900	476	- 1,424
		5	Fusion Welders' Board—Fees and other expenses	29,000	31,644	+ 2,644
		6	Subsidies to apprentices attending continuous courses of instruction remote from place of residence or work	1,230	882	- 348
		7	Board of Examiners for engine-drivers and boiler attendants—Fees and other expenses	1,230	882	- 348
EDUCATION.						
38	..	..	<i>Education—</i>			
	1	2	Salaries and allowances	109,922,967	110,058,774	+ 135,807
		3	Overtime and penalty rates	65,000	71,280	+ 6,280
		4	Payments in lieu of long service leave	1,400,000	1,257,913	- 142,087
	2	1	Travelling and subsistence	402,150	417,135	+ 14,985
		2	Books and publications, other incidental expenses	382,689	353,084	- 29,605
		4	Motor vehicles—Purchase and running expenses	15,766	11,678	- 4,088
		5	School and office equipment (including subsidies) and school and office requisites, including equipment, &c., for Registered schools (to be recouped), printing and stationery	1,172,995	1,172,992	- 3
		6	School maintenance—Towards cleaning, fuel, light, postage, and other minor items, sanitary and other rates	1,719,000	1,718,999	- 1
		8	Domestic Arts	436,500	440,492	+ 3,992
		9	Manual training	139,000	138,999	- 1
		10	Libraries—Subsidies and grants for libraries	383,300	383,297	- 3
		12	Refund of school fees, rents, &c.	5,500	5,481	- 19
		13	Allowances to school cleaners, groundsmen and boilermen	3,909,000	3,923,743	+ 14,743
	3	1	Scholarships and bursaries (fees and allowances) and allowances for maintenance and requisites	2,775,000	2,838,148	+ 63,148
		2	Subsidies to holders of free places and senior scholarships (University and Technical)	12,000	11,970	- 30
		3	Allowances to students in training	12,750,000	12,537,475	- 212,525
		4	Provision of bus services and pupils' travelling allowances	7,635,000	7,634,519	- 481
		5	Expenses in connexion with hostels attached to Teachers' Colleges, Training Centres, or Special Schools	830,000	899,673	+ 69,673
		6	Subsidies to hostels established in connexion with Country High and Technical Schools and Special Schools	11,000	10,687	- 313
		7	Students attending schools under reciprocal arrangements with other States—Maintenance and allowances	8,800	8,799	- 1
		8	Fellowship to University of London	460	395	- 65
		10	Expenses in connexion with residential group activities of students in training and pupils at Somers and elsewhere	51,000	54,887	+ 3,887
		12	Technical Schools and Colleges of Advanced Education—Grants	10,930,000	10,995,419	+ 65,419
		20	Adult Education Fund—To supplement annual appropriation	118,500	127,100	+ 8,600
		22	Towards expenses of conducting a school by the Victorian Committee for the promotion of Oral education of the Deaf	10,000	12,688	+ 2,688
39	..	..	<i>Teachers' Tribunal—</i>			
	2	1	Travelling and subsistence	600	230	- 370
		2	Office requisites and equipment, printing and stationery	400	940	+ 540
		3	Books and publications, other incidental expenses	2,200	858	- 1,342
		4	Postal and telephone expenses	1,950	3,122	+ 1,172

APPENDIX E.—continued.

Vote.			Particulars.	Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase - Decrease
Division.	Sub-Division.	Item.				
ATTORNEY-GENERAL.						
				\$	\$	\$
40	..	..	<i>Attorney-General—</i>			
	1	2	Salaries and allowances	1,439,213	1,444,822	+ 5,609
		3	Overtime and penalty rates	44,000	38,391	- 5,609
	2	1	Travelling and subsistence	47,000	52,000	+ 5,000
		2	Office requisites and equipment, printing and stationery	58,370	54,370	- 4,000
		3	Books and publications, other incidental expenses	38,500	46,136	+ 7,636
		4	Postal and telephone expenses	14,100	14,088	- 12
		5	Motor vehicles—Purchase and running expenses	8,000	8,342	+ 342
		6	Fuel, light, power and water	23,000	22,994	- 6
		7	Allowances to witnesses	13,000	15,492	+ 2,492
		8	Payments to Jurors—Compensation and travelling expenses	330,000	329,997	- 3
		9	Professional assistance	110,000	112,672	+ 2,672
		10	Costs payable by the Crown	15,000	11,187	- 3,813
		11	Costs—Companies (Special Investigations)	30,000	24,704	- 5,296
		12	Refunds of Jury fees	45,000	44,988	- 12
		13	Court reporting	145,000	140,000	- 5,000
41	..	..	<i>Courts Administration—</i>			
	1	1	Salaries and allowances	1,979,191	1,983,857	+ 4,666
		2	Overtime and penalty rates	5,000	4,561	- 439
		3	Payments in lieu of long service leave	8,771	4,544	- 4,227
	2	1	Travelling and subsistence	105,850	106,854	+ 1,004
		2	Office requisites and equipment, printing and stationery	46,000	45,997	- 3
		7	Expenses in connexion with post mortem examinations	73,000	71,999	- 1,001
42	..	..	<i>Registrar-General and Registrar of Titles—</i>			
	2	1	Travelling and subsistence	10,000	9,685	- 315
		2	Office requisites and equipment, printing and stationery	48,750	49,103	+ 353
		3	Books and publications, other incidental expenses	21,000	20,967	- 33
		4	Postal and telephone expenses	15,700	15,695	- 5
43	..	..	<i>Registrar of Companies—</i>			
	1	1	Salaries and allowances	196,794	198,388	+ 1,594
45	..	..	<i>Public Trustee—</i>			
	1	1	Salaries and allowances	504,631	499,812	- 4,819
		2	Overtime and penalty rates	18,000	21,631	+ 3,631
		3	Payments in lieu of long service leave	12,554	13,742	+ 1,188
	2	1	Travelling and subsistence	3,000	3,400	+ 400
		2	Office requisites and equipment, printing and stationery	22,000	18,557	- 3,443
		3	Books and publications, other incidental expenses	6,000	9,043	+ 3,043
TREASURER.						
46	..	..	<i>Treasury—</i>			
	2	1	Travelling and subsistence	2,250	2,465	+ 215
		2	Office requisites and equipment, printing and stationery	10,800	11,558	+ 758
		3	Books and publications, other incidental expenses	900	1,295	+ 395
		4	Postal and telephone expenses	9,250	8,620	- 630
		5	Motor vehicles—Purchase and running expenses	1,700	945	- 755
		6	Refunds of moneys unclaimed over six years and transferred to the Consolidated Revenue	1,000	1,017	+ 17
	3	8	Interest on deposits, &c.	85,000	87,841	+ 2,841
		11	Towards cost of maintenance of ex-Guncotton Factory area at Ballarat	6,750	7,290	+ 540
		12	To supplement annual subsidy to the Royal Mint	420,000	416,421	- 3,579
		16	Allowances to sufferers from miners' phthisis and expenses in connexion therewith	53,000	53,110	+ 110
		21	Payment to Railways Department in respect of Whittlesea—Melbourne road and rail co-ordinated service	950	1,038	+ 88
		31	For cultural development and grants in connexion therewith	170,000	170,781	+ 781
		40	For payment of subsidies to registered schools towards interest on moneys borrowed for the provision of secondary school buildings	175,000	173,708	- 1,292
		41	For payment of capitation grants to registered schools	2,580,000	2,580,511	+ 511
49	..	..	<i>State Superannuation Board—</i>			
	1	1	Salaries and allowances	119,577	119,778	+ 201
		2	Overtime and penalty rates	16,500	16,247	- 253
		3	Payments in lieu of long service leave	410	462	+ 52
	2	1	Travelling and subsistence	2,850	2,808	- 42
		2	Office requisites and equipment, printing and stationery	20,250	20,236	- 14
		3	Books and publications, other incidental expenses	150	3,069	+ 2,919
		4	Postal and telephone expenses	26,500	24,208	- 2,292
		5	Motor vehicles—Purchase and running expenses	2,110	1,705	- 405
		6	Medical examination fees	500	334	- 166
	3	1	State Superannuation Board—Allowances to members	2,800	2,904	+ 104
		2	Additions to Pensions payable pursuant to Act No. 3408, Section 36	1,715	1,611	- 104
50	..	..	<i>Registry of Co-operative Housing Societies and Co-operative Societies and Home Finance Administration</i>			
	2	1	Travelling and subsistence	4,700	3,900	- 800
		6	Dissemination of information relating to Co-operative Housing Societies, &c.	700	1,500	+ 800
51	..	..	<i>Taxation Office—</i>			
	1	1	Salaries and allowances	869,575	871,085	+ 1,510
		2	Payments in lieu of long service leave	7,010	5,500	- 1,510
52	..	..	<i>Stamp Duties—</i>			
	1	1	Salaries and allowances	267,975	271,813	+ 3,838
		3	Payments in lieu of long service leave	7,109	3,271	- 3,838
	2	1	Travelling and subsistence	5,100	6,610	+ 1,510
		2	Office requisites and equipment, printing and stationery	55,000	67,214	+ 12,214
		3	Books and publications, other incidental expenses	6,000	6,851	+ 851
		4	Postal and telephone expenses	21,300	27,485	+ 6,185
		5	Motor vehicles—Purchase and running expenses	400	386	- 14
		6	Commission on sale of duty stamps, &c.	145,000	124,254	- 20,746
53	..	..	<i>Government Printer—</i>			
	2	1	Travelling and subsistence	22,500	15,208	- 7,292
		2	Office requisites and equipment, printing and stationery	3,600	3,785	+ 185
		4	Postal and telephone expenses	30,000	34,200	+ 4,200
		5	Motor vehicles—Purchase and running expenses	4,100	3,100	- 1,000
		6	Fuel, light, power and water	40,000	31,991	- 8,009
		7	Purchase of paper and material and other printing costs	1,300,000	1,312,322	+ 12,322
		8	Working charges	58,000	57,594	- 406
LANDS AND SURVEY.						
54	..	..	<i>Lands and Survey—</i>			
	2	1	Travelling and subsistence	218,000	218,353	+ 353
		5	Motor vehicles—Purchase and running expenses	8,500	8,834	+ 334
		7	Survey and photographic equipment, &c.	60,000	59,994	- 6
		8	Expenses in connexion with surveys of land other than staff surveys	16,000	15,319	- 681
	3	2	Aerial survey—Purchase of instruments, machines, equipment and other expenses	136,000	137,000	+ 1,000
		3	Rebates to purchasers of wire netting whose holdings adjoin unoccupied Crown lands	8,000	10,000	+ 2,000
		8	Maintenance, improvements and management of Buchan Caves and Park	9,200	9,550	+ 350
		9	Repairs, alterations and maintenance of Crown property (including cost of maintaining improvements on closer settlement land vacant or held under purely temporary lease)	1,000	334	- 666
		10	Surveying cadetships	1,720	1,478	- 242
		11	Expenses in connexion with Port Phillip Authority	17,537	15,077	- 2,460

APPENDIX E.—continued.

Vote.			Particulars.	Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase - Decrease
Division.	Sub- Division.	Item.				
LANDS AND SURVEY—continued.						
				£	£	£
54	3	12	Payment to municipal councils and other authorities in lieu of rates ..	7,500	4,574	— 2,926
		13	Costs and expenses of land utilization (including pay-roll tax) pending subdivision of properties and preparation of holdings for allotment to settlers ..	30,000	32,944	+ 2,944
55	..	..	<i>Botanic and Domain Gardens and National Herbarium—</i>			
	2	1	Travelling and subsistence	1,350	1,081	— 269
		3	Books and publications, other incidental expenses	4,400	4,672	+ 272
		4	Postal and telephone expenses	1,100	1,300	+ 200
		5	Motor vehicles—Purchase and running expenses	3,350	2,799	— 551
		6	Fuel, light, power and water	4,400	4,497	+ 97
		7	Tools, equipment, materials, &c.	7,000	7,251	+ 251
PUBLIC WORKS.						
56	..	..	<i>Public Works—</i>			
	1	3	Overtime and penalty rates	100,000	97,752	— 2,248
		4	Payments in lieu of long service leave	59,646	61,894	+ 2,248
	2	1	Travelling and subsistence	188,000	193,678	+ 5,678
		2	Office requisites and equipment, printing and stationery	123,000	108,961	— 14,039
		3	Books and publications, other incidental expenses	32,000	32,052	+ 52
		4	Postal and telephone expenses	53,000	61,309	+ 8,309
	3	2	Rents and allowances in lieu thereof	790,000	785,947	— 4,053
		4	Telephonic communications—Provision, maintenance and other expenses	244,000	244,955	+ 955
		8	Government House and Grounds, Melbourne—Furniture, fittings, repairs, renewals, fuel, light, &c., including contribution towards domestic services	60,000	63,098	+ 3,098
57	..	..	<i>Ports and Harbors—</i>			
	1	1	Salaries and allowances	252,765	253,065	+ 300
		2	Overtime and penalty rates	9,500	10,793	+ 1,293
		3	Payments in lieu of long service leave	4,274	2,681	— 1,593
	3	5	Marine Board—Fees and other expenses	10,000	11,819	+ 1,819
		7	Westernport—Operating expenses	410,000	408,181	— 1,819
LOCAL GOVERNMENT.						
58	..	..	<i>Local Government—</i>			
	1	2	Salaries and allowances	268,135	264,196	— 3,939
		3	Overtime and penalty rates	8,000	7,738	— 262
		4	Payments in lieu of long service leave	1,806	6,007	+ 4,201
	2	2	Office requisites and equipment, printing and stationery	15,000	14,700	— 300
		4	Postal and telephone expenses	3,400	3,700	+ 300
	3	1	Municipal Auditors, Municipal Clerks, Municipal Electrical Engineers, Municipal Engineers, Municipal Scaffolding Inspectors, and Municipal Building Surveyors Boards—Fees and expenses	2,400	1,966	— 434
		4	Scaffolding Regulations Committee—Fees	2,900	546	— 2,354
		5	Interim Development Order Appeals Board—Fees	7,400	10,188	+ 2,788
59	..	..	<i>Weights and Measures—</i>			
	1	1	Salaries and allowances	145,670	144,706	— 964
		3	Payments in lieu of long service leave	1,630	2,594	+ 964
		4	Postal and telephone expenses	2,250	2,675	+ 425
		5	Motor vehicles—Purchase and running expenses	14,200	15,165	+ 965
		6	Materials and equipment	10,000	8,610	— 1,390
60	..	..	<i>Town and Country Planning Board—</i>			
	2	1	Travelling and subsistence	3,500	3,408	— 92
		3	Books and publications, other incidental expenses	3,500	3,592	+ 92
MINES.						
61	..	..	<i>Mines—</i>			
	1	2	Salaries and allowances	577,342	575,731	— 1,611
		3	Overtime and penalty rates	2,500	2,909	+ 409
		4	Payments in lieu of long service leave	16,038	17,240	+ 1,202
	2	4	Postal and telephone expenses	5,600	6,375	+ 775
		6	Laboratory expenses—Chemicals, materials and other expenses	4,500	3,725	— 775
AGRICULTURE.						
64	..	..	<i>Agriculture Administration—</i>			
	2	1	Travelling and subsistence	5,600	4,617	— 983
		3	Books and publications, other incidental expenses	3,200	5,395	+ 2,195
		5	Motor vehicles—Purchase and running expenses	4,000	3,625	— 375
		7	Payments to officers in connexion with investigations carried out whilst travelling overseas	1,000	163	— 837
	3	1	Victoria Dock Cool Stores—Equipment and running expenses	238,000	237,747	— 253
		4	Agricultural Economics Branch	7,650	7,903	+ 253
65	..	..	<i>Agricultural Education—</i>			
	1	1	Salaries and allowances	64,772	64,081	— 691
		3	Payments in lieu of long service leave	1,855	2,546	+ 691
	2	1	Travelling and subsistence	1,500	1,337	— 163
		2	Office requisites and equipment, printing and stationery	800	969	+ 169
		3	Books and publications, other incidental expenses	900	962	+ 62
		4	Motor vehicles—Purchase and running expenses	500	432	— 68
	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	293,500	294,289	+ 789
		2	College of Horticulture, Burnley—Equipment and running expenses	104,300	104,704	+ 404
		3	Dairy College, Glenormiston—Equipment, livestock and running expenses	26,500	28,583	+ 2,083
		5	Agricultural Cadetships and Scholarships	37,250	33,974	— 3,276
66	..	..	<i>Agriculture—</i>			
	1	1	Salaries and allowances	847,136	841,221	— 5,915
		2	Overtime and penalty rates	2,200	2,980	+ 780
		3	Payments in lieu of long service leave	13,257	18,392	+ 5,135
	2	1	Travelling and subsistence	39,900	37,153	— 2,747
		3	Books and publications, other incidental expenses	6,900	9,647	+ 2,747
67	..	..	<i>Horticulture—</i>			
	1	1	Salaries and allowances	1,059,897	1,059,166	— 731
		2	Overtime and penalty rates	46,300	47,031	+ 731
		1	Travelling and subsistence	49,000	48,315	— 685
		2	Office requisites and equipment, printing and stationery	3,900	3,551	— 349
		3	Books and publications, other incidental expenses	16,000	17,666	+ 1,666
		5	Motor vehicles—Purchase and running expenses	24,000	23,091	— 909
		6	Fuel, light, power and water	1,950	2,227	+ 277
		5	Market News Service—Expenses	7,400	6,400	— 1,000
	3	9	Marketing inspection	8,000	9,000	+ 1,000
68	..	..	<i>Animal Health—</i>			
	1	1	Salaries and allowances	470,100	470,038	— 62
		2	Overtime and penalty rates	3,800	3,862	+ 62
		2	Apiary experimental and extension work	2,350	3,649	+ 1,299
	3	1	Veterinary scholarships and cadetships	46,600	47,104	+ 504
		3	Expenses in connexion with footrot control	25,000	23,197	— 1,803

APPENDIX E.—continued.

Vote.			Particulars.	Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase - Decrease
Division.	Sub- Division.	Item.				
AGRICULTURE—continued.						
				\$	\$	\$
69	1	1	<i>Animal Industry—</i>			
		1	Salaries and allowances	381,619	380,384	- 1,235
		2	Overtime and penalty rates	2,800	3,700	+ 900
		3	Payments in lieu of long service leave	6,919	7,254	+ 335
	2	1	Travelling and subsistence	21,000	18,328	- 2,672
		2	Office requisites and equipment, printing and stationery	2,270	2,835	+ 565
		5	Motor vehicles—Purchase and running expenses	7,780	9,887	+ 2,107
70	1	1	<i>Dairying</i>			
		1	Salaries and allowances	707,660	706,415	- 1,245
		3	Payments in lieu of long service leave	14,185	15,430	+ 1,245
71	2	1	<i>Extension Services—</i>			
		1	Travelling and subsistence	1,000	550	- 450
		5	Motor vehicles—Purchase and running expenses	1,670	2,120	+ 450
	3	1	Production of departmental publications	56,000	57,753	+ 1,753
		2	Production of departmental films, radio programmes, exhibits, &c.	14,000	12,247	- 1,753
HEALTH.						
72	1	2	<i>Health Administration—</i>			
		2	Salaries and allowances	212,883	213,507	+ 624
		3	Overtime and penalty rates	6,500	5,852	- 648
		4	Payments in lieu of long service leave	4,635	4,659	+ 24
	2	2	Office requisites and equipment, printing and stationery	3,350	3,541	+ 191
		3	Books and publications, other incidental expenses	3,650	3,165	- 485
		4	Postal and telephone expenses	3,750	4,104	+ 354
		5	Motor vehicles—Purchase and running expenses	3,000	2,997	- 3
		6	Medical and dental expenses, &c., at penal establishments	18,500	19,433	+ 933
		7	Health Education—Expenses	4,000	3,010	- 990
	3	1	Medical Board and Foreign Practitioners Qualifications Committee—Fees and other expenses	6,000	6,265	+ 265
		10	Committee of enquiry into Nursing—Expenses	8,650	8,385	- 265
73	1	1	<i>General Health—</i>			
		1	Salaries and allowances	756,049	754,560	- 1,489
		3	Payments in lieu of long service leave	7,916	9,405	+ 1,489
	2	1	Travelling and subsistence	23,450	22,554	- 896
		2	Office requisites and equipment, printing and stationery	4,000	3,642	- 358
		3	Books and publications, other incidental expenses	6,500	6,000	- 500
		4	Postal and telephone expenses	8,400	9,712	+ 1,312
		5	Motor vehicles—Purchase and running expenses	8,500	8,067	- 433
		8	Veneral diseases	20,800	22,800	+ 2,000
		12	Industrial Hygiene Division—Expenses	10,700	11,173	+ 473
		13	Proprietary medicines—Expenses (including fees of members of Committee)	4,200	2,739	- 1,461
		14	Clean Air—Expenses (including fees of members of Committee)	4,000	3,885	- 115
	16	3	Poisons Control—Expenses (including fees to members of Committee)	9,400	9,378	- 22
		3	To meet cost of travel on State-owned transport for people of limited means requiring treatment at public hospitals	89,000	87,000	- 2,000
		8	Cemeteries—Grants towards maintenance and improvement	14,000	16,000	+ 2,000
74	1	1	<i>Tuberculosis</i>			
		2	Salaries and allowances	1,580,603	1,579,304	- 1,299
		2	Payments in lieu of long service leave	14,083	15,382	+ 1,299
	2	1	Travelling and subsistence	5,200	4,369	- 831
		3	Books and publications, other incidental expenses	1,220	2,051	+ 831
75	1	1	<i>Maternal and Child Welfare</i>			
		1	Salaries and allowances	1,149,773	1,147,359	- 2,414
		3	Payments in lieu of long service leave	10,932	13,346	+ 2,414
	2	1	Travelling and subsistence	23,850	22,910	- 940
		2	Office requisites and equipment, printing and stationery	4,000	3,902	- 98
		3	Books and publications, other incidental expenses	22,500	8,882	- 13,618
		4	Postal and telephone expenses	6,300	6,256	- 44
		5	Motor vehicles—Purchase and running expenses	6,900	7,386	+ 486
		6	Ante-Natal Clinics—Sessional fees and expenses of medical officers and nurses	15,000	14,992	- 8
		7	School medical and dental expenses	190,000	199,996	+ 9,996
		8	Medical, dental and pharmaceutical expenses in connexion with children under care of Social Welfare Branch of Chief Secretary's Department	90,000	95,440	+ 5,440
		9	Expenses in connexion with infant welfare and pre-school scholarships	94,226	93,519	- 707
		10	Department of Health Kindergarten and Infant Welfare Centre, Preston—Expenses	300	244	- 56
		11	Rail passes, etc, infant welfare nurses, pre-school directors, &c.	3,350	2,899	- 451
	3	1	Subsidies to various authorities towards cost of maintaining kindergartens and pre-school centres	1,818,000	1,847,480	+ 29,480
		2	Subsidies towards cost of maintaining creches and day nurseries	191,400	182,164	- 9,236
		4	Subsidies to municipalities, &c, towards infant welfare centres, dental clinics, &c.	693,000	671,099	- 21,901
		7	Dental Hospital—Subsidy towards cost of dental services to pre-school children	5,100	6,757	+ 1,657
76	1	1	<i>Mental Hygiene</i>			
		1	Salaries and allowances	13,018,405	13,022,384	+ 3,979
		3	Payments in lieu of long service leave	120,000	116,021	- 3,979
	2	1	Travelling and subsistence	106,500	75,995	- 30,505
		2	Office requisites and equipment, printing and stationery	59,250	60,000	+ 750
		3	Books and publications, other incidental expenses	67,000	57,001	- 9,999
		6	Fuel, light, power and water	780,000	815,994	+ 35,994
		7	Stores, provisions, clothing and bedding, plant and equipment and other expenses (including special expenses relating to patient therapy) of mental institutions and clinics and the medical and psychiatric clinic at Penridge	3,295,000	3,306,850	+ 11,850
		8	Medicines and drugs, including medical laboratory and surgical sundries	562,000	577,150	+ 15,150
	10		Expenses of accommodating patients outside mental institutions	200,000	176,760	- 23,240
FUEL AND POWER.						
77	1	1	<i>Ministry of Fuel and Power</i>			
		1	Salaries and allowances	37,326	37,411	+ 85
		2	Overtime and penalty rates	100	15	- 85
TRANSPORT.						
79	2	1	<i>Ministry of Transport—</i>			
		1	Travelling and subsistence	250	163	- 87
		3	Books and publications, other incidental expenses	115	120	+ 5
		5	Motor vehicles—Purchase and running expenses	600	682	+ 82
WATER SUPPLY.						
81	1	1	<i>State Rivers and Water Supply Commission—</i>			
		1	Salaries and allowances	5,673,300	5,649,379	- 23,921
		3	Payments in lieu of long service leave	120,000	143,921	+ 23,921
	2	1	Travelling and subsistence	173,000	169,996	- 3,004
		4	Postal and telephone expenses	55,000	57,997	+ 2,997
		8	Contour surveys, private services, tapping mains, excavator hire and other recoverable expenses	102,000	85,985	- 16,015
		9	River gaugings, investigations, soil surveys, &c.	73,500	84,495	+ 10,995

APPENDIX E.—*continued.*

Vote.			Particulars.	Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase - Decrease
Division.	Sub- Division.	Item.				
WATER SUPPLY.—<i>continued.</i>						
				\$	\$	\$
81	2	10	Central Workshops and storeyards	82,000	83,501	+ 1,501
		11	Repairs and maintenance of buildings	66,000	66,526	+ 526
		12	Pay-roll tax	270,000	273,000	+ 3,000
	3	1	Coliban—Materials and other expenses	204,000	201,032	- 2,968
		2	Irrigation water supply and drainage districts—Materials and other expenses	2,080,000	2,086,565	+ 6,565
		4	Flood protection districts—Materials and other expenses	69,000	68,191	- 809
		5	Removal of sand drift	105,000	102,708	- 2,292
		10	Water Supply Research Trust Account—Payment	7,656	7,655	- 1
		11	Surveying cadetships	9,500	9,005	- 495
82	..	..	STATE COAL MINE.			
	3	2	Coal Mine Workers' Pension Fund—Contribution	67,262	65,574	- 1,688
		3	Superannuation charges	23,673	25,361	+ 1,688
83	..	..	PART II. RAILWAYS.			
	1	3	Rolling-stock Branch	29,573,000	29,323,263	- 249,737
		7	General Expenses	5,327,000	5,423,649	+ 96,649
		9	Railway Accident and Fire Insurance Fund—Contribution	1,587,000	1,740,088	+ 153,088

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