
REPORT

OF THE

AUDITOR-GENERAL

FOR THE YEAR ENDED

30th JUNE, 1969

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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, 1969.

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, 1969. 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.

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, 1969. 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 1968-69—

	\$
The Consolidated Revenue brought to account was	664,183,442.02
The Expenditure charged to Revenue was	666,644,485.68
	<hr/>
The Deficit for the year was	2,461,043.66
	<hr/>

The expenditure for the year, as recorded above, includes the sum of \$3,684,355.53 which had been charged to Treasurer's Advance pending the passing of the Supplementary Estimates for the year.

Departments and services other than railways showed a surplus of \$15,169,550.25 but this surplus was more than offset by a deficit in the railway accounts amounting to \$17,630,593.91. Thus, once again, the railway financial position had a pronounced influence on the overall financial result. The following analysis shows separately the financial results for 1968-69 for railways and other departments and services respectively :—

	Revenue.	Expenditure.		\$
	\$	\$		\$
Railways	100,328,517.50	117,959,111.41	Deficit	17,630,593.91
Departments and Services—				
Other than Railways	563,854,924.52	548,685,374.27	Surplus	15,169,550.25
	<hr/>	<hr/>		
	664,183,442.02	666,644,485.68	Deficit	2,461,043.66
	<hr/>	<hr/>		<hr/>

The Budget Estimates for 1968-69 provided for a balanced budget. Actual revenue was \$13,512,224 more than the estimate while the actual expenditure exceeded the estimate by \$15,973,268. These variations resulted in the deficit of \$2,461,044.

RECEIPTS TO REVENUE.

The only major shortage of revenue compared with the Budget Estimates was \$6,693,483 in railway income.

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

	\$
Probate Duty	6,301,133
Commonwealth Financial Assistance Grants	5,861,850
Stamps Acts	4,949,202
Land Tax	838,970

Receipts to Consolidated Revenue from all sources in 1968-69 amounted to \$664,183,442 which was \$62,855,069 higher than the 1967-68 total of \$601,328,373.

In 1968-69, State revenue from sources other than the Commonwealth totalled \$399,726,659 and revenue from Commonwealth sources amounted to \$264,456,783. Revenue from sources other than the Commonwealth was \$41,957,333 higher than in 1967-68 and constituted 60.2 per cent. of the State's gross revenue compared with 59.5 per cent. in the previous year. Revenue from Commonwealth sources was \$20,897,736 more than the 1967-68 total of \$243,559,047 and represented 39.8 per cent. of gross revenue compared with 40.5 per cent. in 1967-68.

The following summary shows, under broad headings, the major increases in revenue from sources other than the Commonwealth which contributed to the rise of \$41,957,333 in such revenue compared with 1967-68 :—

	\$	\$
Taxation—		
Stamps Acts	21,249,833	
Probate Duty	9,158,941	
Licensing Fund Payment	999,609	
Land Tax	862,714	
Totalizator	801,529	
Sundry Taxes (Net)	525,162	
	<hr/>	33,597,788
Recovery of Debt Charges .. .. .	..	3,517,205
Railways .. .. .	..	1,542,272
Fees and Charges for Departmental Services .. .. .	..	1,257,516
Other State Sources (Net) .. .. .	..	2,042,552
		<hr/>
		41,957,333
		<hr/>

There were no major decreases in any item of such revenue compared with 1967-68.

Of the \$21,249,833 increase in revenue under the Stamps Acts, \$20,688,111 was derived from Other Stamp Duty. Legislation revising rates of stamp duty and applying stamp duty to a wider field of transactions, including the receipt of salaries and wages, which had operated for part only of 1967-68, operated for a full year in 1968-69. 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.	1967-68.	1968-69.	+ Increase - Decrease
	\$	\$	\$
Contribution pursuant to Commonwealth—States Financial Agreement	4,254,318	4,254,318	..
Financial Assistance Grants	228,253,518	253,561,850	+ 25,308,332
Special Revenue Assistance—States Grants (Drought Assistance)	4,836,599	..	- 4,836,599
Tuberculosis Arrangement	3,181,176	3,228,246	+ 47,070
Towards remissions and losses on Soldier Settlement Advance—States Grants (Advanced Education)	108,349	8,234	- 100,115
Advance—States Grants (Advanced Education)	2,788,408	3,194,302	+ 405,894
Advance—States Grants (Water Resources)	130,833	159,400	+ 28,567
Other	5,846	50,433	+ 44,587
	<hr/>	<hr/>	
	243,559,047	264,456,783	+ 20,897,736

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 was met, in the first place, from State funds, and the Commonwealth contribution was 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 \$666,644,486 which exceeded the 1967-68 total of \$604,122,006 by \$62,522,480.

Railway expenditure (including debt charges) for 1968-69 accounted for \$117,959,111 of the total. Compared with the 1967-68 railway expenditure of \$110,950,623, this showed an increase of \$7,008,488.

Expenditure other than railway expenditure amounted to \$548,685,375 in 1968–69 compared with \$493,171,383 in 1967–68—an increase of \$55,513,992.

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 :—

	1967–68.	1968–69.	Increase.
	\$	\$	\$
Education	181,914,112	210,269,647	28,355,535
Debt charges	131,199,385	141,675,607	10,476,222
Health Services—Including transfers to Hospitals and Charities and Mental Hospitals Funds ..	76,944,816	86,509,402	9,564,586

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. Expenditure on para-medical teaching institutions, previously excluded, has been included in the 1968–69 total. To preserve comparability, 1967–68 figures have been adjusted correspondingly. Against this expenditure there are revenue collections, recoups of expenditure, etc., amounting to \$4,515,097 in 1967–68 and \$4,719,770 in 1968–69. Included in the collections are amounts of \$2,619,198 and \$2,968,622 paid to Revenue in 1967–68 and 1968–69 respectively, which represent the portions applicable to the Education Department and the Victoria Institute of Colleges 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 65.

Debt Charges.—The following statement shows the composition of the debt charges figure of \$141,675,607 referred to above and gives a comparison of 1968–69 with the previous year :—

	1967–68.	1968–69.	Increase.
	\$	\$	\$
Debt charges on Public Debt	110,686,090	119,422,329	8,736,239
Interest and principal—Commonwealth–State Housing Agreement	19,883,956	21,623,939	1,739,983
Interest and principal—Commonwealth–State Soldier Settlement Account	629,339	629,339	..
	<u>131,199,385</u>	<u>141,675,607</u>	<u>10,476,222</u>

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

Total debt charges, \$141,675,607, were 21·3 per cent. of the total expenditure from Consolidated Revenue compared with 21·7 per cent. in 1967–68. 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 1968–69 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 1968–69, the net amount available from other sources was \$24,804,990 and the balance which had to be met from taxation and general revenues was \$88,002,430. These figures exclude railway debt charges, \$6,614,909, 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 1968–69, payments from Revenue in respect of housing loans amounted to \$21,623,939. 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 1968–69, 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 1967-68 and 1968-69 :—

<i>From—</i>	1967-68.		1968-69.	
	\$	\$	\$	\$
Commission—Totalizator Investments	11,660,654		12,462,183	
Tattersall Duty	6,085,270		5,989,851	
Commonwealth Recoup—Tuberculosis Arrangement	3,181,176		3,228,246	
Mental Hygiene Branch—Various Receipts ..	2,155,213		2,271,456	
Health Department—Miscellaneous Receipts ..	425,032		388,670	
	<hr/>	23,507,345	<hr/>	24,340,406
<i>From the general revenues of the State—</i>				
<i>Net Cost to Consolidated Revenue—</i>				
Health Services (other than Mental Hygiene) ..	10,038,851		10,924,161	
Mental Hygiene Branch	18,675,620		20,103,835	
<i>Transfers to Hospitals and Charities Fund—</i>				
Special Appropriation (other than Totalizator and Tattersall receipts)	1,600,000		1,600,000	
Annual vote	23,123,000		29,541,000	
	<hr/>	53,437,471	<hr/>	62,168,996
		<hr/>	<hr/>	
		76,944,816		86,509,402
		<hr/>		<hr/>

Loan Fund.

In 1968-69, expenditure from the Loan Fund on works and associated purposes amounted to \$154,707,490 compared with \$144,383,211 in 1967-68—an increase of \$10,324,279. In addition, in 1967-68, 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 compared with the 1968-69 total of \$154,707,490. Loan moneys available to meet this expenditure were \$148,647,683 in 1967-68 and \$154,759,072 in 1968-69. The following statement shows under broad headings the major allocations of loan expenditure in these two years of the moneys available :—

	1967-68.	Per cent. of available funds.	1968-69.	Per cent. of available funds.
	\$		\$	
<i>Social Expenditure—</i>				
including expenditure on Education, Health, &c. ..	68,094,240	45·81	69,287,505	44·77
<i>Services associated with Primary Production—</i>				
including Agriculture, Forests, Country Water Supply, &c. ..	29,373,898	19·76	32,103,373	20·75
Railways	16,614,091	11·18	16,901,101	10·92
Advances to State Electricity Commission	14,500,000	9·75	15,750,000	10·18

This statement does not include loan expenditure under the Commonwealth-State Housing Agreement which, in 1967-68, amounted to \$33,765,534 and, in 1968-69, to \$36,038,313.

At 30th June, 1969, the State's net loan liability on account of its ordinary debt was \$2,096,154,180 which showed an increase of \$123,166,550 over the liability at 30th June, 1968, of \$1,972,987,630.

In addition, the State's liability at 30th June, 1969, to the Commonwealth under the Commonwealth-State Housing Agreement was \$483,438,721, for special assistance loans for soldier settlement, \$13,169,334, and, in respect of repayable loans made from funds provided for drought relief, \$5,730,000. The liabilities on account of these advances at 30th June, 1968, were \$451,748,462, \$13,299,926 and \$2,850,000 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 \$416,590,965 and \$425,110,680 respectively. The comparable figures in 1967-68 were \$379,008,780 and \$386,963,772.

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.	1967-68.			1968-69.		
	Total Credits (Including Balance Forward).	Total Debits.	Balance Forward.	Total Credits (Including Balance Forward).	Total Debits.	Balance Forward.
	\$	\$	\$	\$	\$	\$
EDUCATION :						
Commonwealth Scholarships Scheme	1,651,336	1,651,336	..	..	..	..
La Trobe University (Commonwealth Subsidy)	2,832,190	2,832,190	..	4,179,035	4,179,035	..
Melbourne University (Commonwealth Subsidy)	8,204,485	8,204,485	..	7,873,055	7,873,055	..
Monash University (Commonwealth Subsidy)	6,337,888	6,337,888	..	6,704,599	6,704,599	..
State Grants (Advanced Education)	2,881,346	2,549,682	331,664	2,681,964	2,401,328	280,636
State Grants (Pre-School Teachers Colleges)	..	..	..	20,000	20,000	..
State Grants (Science Laboratories)	3,910,381	3,322,615	587,766	3,642,466	2,919,001	723,465
State Grants (Secondary Schools Libraries)	..	..	..	500,000	..	500,000
State Grants (Teachers Colleges)	500,000	50,389	449,611	2,049,611	1,535,691	513,920
State Grants (Technical Training)	5,476,676	4,387,430	1,089,246	2,639,246	1,853,681	785,565
Other	507,137	500,201	6,936	1,026,751	1,014,898	11,853
	32,301,439	29,836,216	2,465,223	31,316,727	28,501,288	2,815,439
HEALTH :						
Commonwealth Pharmaceutical Benefits	5,363,140	4,215,977	1,147,163	5,307,163	5,171,845	135,318
Commonwealth-State Free Milk Scheme	2,667,602	2,537,518	130,084	2,852,989	2,610,924	242,065
Commonwealth-State Grants (Mental Institutions)	1,381,404	1,381,404	..	1,200,065	1,200,065	..
Other	64,570	62,231	2,339	57,073	54,215	2,858
	9,476,716	8,197,130	1,279,586	9,417,290	9,037,049	380,241
HOUSING :						
Aboriginal Housing	..	..	..	210,333	158,455	51,878
Commonwealth-State Housing	23,865,534	23,865,534	..	25,688,313	25,688,313	..
Home Builders	20,605,872*	20,562,897	42,975	20,767,645*	20,696,264	71,381
	44,471,406	44,428,431	42,975	46,666,291	46,543,032	123,259
PRIMARY PRODUCTION :						
Commonwealth Poultry Industry Assistance	1,306,201	1,306,201	..	1,878,191	1,878,191	..
Rural Rehabilitation	4,304,463	..	4,304,463	4,389,185	1,239	4,387,946
Other	2,014,707	1,434,745	579,962	2,215,350	1,879,462	335,888
	7,625,371	2,740,946	4,884,425	8,482,726	3,758,892	4,723,834
OTHER WORKS :						
Commonwealth Aid Roads (Nos. 1-3 Accounts)	31,317,353	31,302,790	14,563	33,127,593	33,127,593	..
Other	743,692	693,912	49,780	996,218	909,718	86,500
	32,061,045	31,996,702	64,343	34,123,811	34,037,311	86,500
MISCELLANEOUS :						
Petroleum Products Subsidy	1,173,154	1,086,935	86,219	1,203,641	1,143,033	60,608
Commonwealth Grant—Drought Relief 1967	8,358,810	8,358,810	..	8,737,861	8,737,861	..
Other	44,737	36,939	7,798	46,931	37,878	9,053
	9,576,701	9,482,684	94,017	9,988,433	9,918,772	69,661
Total	135,512,678	126,682,109	8,830,569	139,995,278	131,796,344	8,198,934

* Includes repayment of advances and interest thereon 1967-68, \$9,381,410 ; 1968-69, \$10,374,669.

The items in the summary—Aboriginal Housing, State Grants (Pre-School Teachers Colleges) and State Grants (Secondary Schools Libraries)—represent new accounts.

The Aboriginal Housing (Commonwealth) Trust Account was established to receive Commonwealth housing grants for aborigines to be applied in the purchase of land and dwellings and the construction of dwellings including hostel-type accommodation. The State Grants (Pre-School Teachers Colleges) Trust Account was opened to record financial assistance granted by the Commonwealth to the State to enable it to increase its output of trained pre-school teachers. The State Grants (Secondary Schools Libraries) Trust Account was opened to receive moneys paid by the Commonwealth to the State for the purpose of providing financial assistance to libraries at secondary schools, including the purchase of material and equipment for use in such libraries.

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 27 of this Report.

Consolidated Revenue Deficit Account.

At 30th June, 1968, the debit balance in this Account was \$4,032,418. In 1968-69, the Account was debited with the 1967-68 deficit of \$2,793,633. The debit balance in the Account at 30th June, 1969, was thus \$6,826,051. This balance represented the amount of the net accumulated revenue deficit to 30th June, 1968, 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, 1968—		
Cash at credit of Public Account	67,049,180	
Investments of the Trust Fund	56,238,150	
	<hr/>	Cr. 123,287,330
Consolidated Revenue Fund		
Receipts	664,183,442	
Expenditure	666,644,486	
	<hr/>	Dr. 2,461,044
Loan Fund		
Net receipts from raisings and repayments	154,494,600	
Expenditure	154,707,490	
	<hr/>	Dr. 212,890
Trust Fund		
Credits	669,514,746	
Debits	659,100,373	
	<hr/>	Cr. 10,414,373
Advances from Public Account		
Balance 1st July, 1968	7,932,832	
Add Deficit for 1967-68 temporarily financed from Public Account in 1967-68	2,793,633	
	<hr/>	
Balance 30th June, 1969	10,726,465	
	<hr/>	Dr. 743,738
		<hr/>
Balance represented by Cash and Investments at 30th June, 1969—		
Cash at credit of Public Account	65,968,745	
Investments of the Trust Fund	64,315,286	
	<hr/>	Cr. 130,284,031

As at 30th June, 1969, the balances at credit of Loan Fund and Trust Fund were \$51,582 and \$144,163,696 respectively. The sum of these balances, \$144,215,278, was accounted for as follows :—

	\$	\$
Cash at credit of Public Account	65,968,745	
Investments held on behalf of Trust Fund	64,315,286	
	<hr/>	130,284,031
Various advances—details of which are included in the summary on page 5 of the Treasurer's Finance Statement :—		
Consolidated Revenue Deficit Account	6,826,051	
Other	4,644,152	
	<hr/>	11,470,203
Deficit for 1968-69 temporarily financed from Public Account .. .. .	.. .. .	2,461,044
		<hr/>
		144,215,278

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 \$62,855,069 for the year.

	1967–68.	1968–69.	+ Increase – Decrease
	\$	\$	\$
Commonwealth Payments to the State			
Financial Assistance Grants	228,253,518	253,561,850	+25,308,332
Drought Assistance Grant	4,836,599	..	– 4,836,599
Contribution for Interest—Financial Agreement	4,254,318	4,254,318	..
Other Contributions and Recoups	6,214,612	6,640,615	+ 426,003
	<u>243,559,047</u>	<u>264,456,783</u>	<u>+20,897,736</u>
State Taxes			
Direct	79,384,112	90,227,192	+10,843,080
Stamps Acts	61,514,369	82,764,202	+21,249,833
Licensing Fund Payment	9,275,780	10,275,389	+ 999,609
Other	2,861,934	3,367,200	+ 505,266
	<u>153,036,195</u>	<u>186,633,983</u>	<u>+33,597,788</u>
Recoveries of Debt Charges			
Interest and Exchange	35,725,491	38,848,941	+ 3,123,450
Sinking Fund—Contributions and Special Payments	958,679	1,053,744	+ 95,065
Loan Conversion Expenses	9,749	9,395	– 354
Repayments	4,108,554	4,407,598	+ 299,044
	<u>40,802,473</u>	<u>44,319,678</u>	<u>+ 3,517,205</u>
Land Revenue			
Leases, Licences, Miners' Rights, etc.	2,690,812	2,735,483	+ 44,671
Brown Coal Royalties	549,574	563,018	+ 13,444
	<u>3,240,386</u>	<u>3,298,501</u>	<u>+ 58,115</u>
Harbor Revenue			
Contribution—Melbourne Harbor Trust	1,380,069	1,500,489	+ 120,420
Westernport—Wharfage, Tonnage, Towage, etc.	1,057,028	1,112,417	+ 55,389
Other	864,566	922,248	+ 57,682
	<u>3,301,663</u>	<u>3,535,154</u>	<u>+ 233,491</u>
Fees and Charges for Departmental Services			
Fees—Registrar General, Registrar of Titles, Government Statist, etc.	4,514,605	4,843,047	+ 328,442
Departmental Services—			
Public Works Department	4,095,172	4,419,241	+ 324,069
Government Printer	2,949,923	3,295,146	+ 345,223
Mental Hygiene	2,135,964	2,231,042	+ 95,078
Motor Registration Branch	1,830,008	1,995,859	+ 165,851
Agriculture Department	1,296,140	1,399,687	+ 103,547
Education Department	1,277,418	1,119,271	– 158,147
Police	1,144,322	1,137,033	– 7,289
Insurance Offices	1,079,382	1,135,709	+ 56,327
Social Welfare	585,129	497,443	– 87,686
Other	1,802,535	1,894,636	+ 92,101
	<u>22,710,598</u>	<u>23,968,114</u>	<u>+ 1,257,516</u>
Business Undertakings			
State Rivers and Water Supply Commission	12,230,452	12,358,855	+ 128,403
Forests Commission	5,709,806	5,596,001	– 113,805
State Coal Mine	257,089	149,632	– 107,457
	<u>18,197,347</u>	<u>18,104,488</u>	<u>– 92,859</u>

	1967-68.	1968-69.	+ Increase - Decrease
	\$	\$	\$
Other Revenue			
Statutory Corporations—Contributions	6,300,000	6,825,000	+ 525,000
Fines—Courts and Other Sources	4,283,433	5,016,940	+ 733,507
Interest on Public Account	2,570,076	2,830,312	+ 260,236
State Accident Insurance Office—Portion of Surplus	1,200,000	1,300,000	+ 100,000
Rents and Hirings	1,146,566	1,124,749	- 21,817
Public Trustee—Surplus Interest	407,259	418,645	+ 11,386
Gas and Fuel Corporation—Dividends Preference			
Shares	285,916	288,474	+ 2,558
Sundry	1,501,169	1,734,104	+ 232,935
	<u>17,694,419</u>	<u>19,538,224</u>	<u>+ 1,843,805</u>
Railways	98,786,245	100,328,517	+ 1,542,272
Total Revenue	<u>601,328,373</u>	<u>664,183,442</u>	<u>+62,855,069</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 1965-68*.

The grant to Victoria for 1968-69 in accordance with the statutory formula amounted to \$250,563,170 and was calculated in the following way :—

The basic figure, \$228,253,518, which was the equivalent of the amount of the State's financial assistance grant for the previous year, was increased in proportion to the increase, estimated by the Commonwealth Statistician, in the State's population during the year ended 31st December, 1968. As the next step, the resultant figure was increased by the percentage increase, from 31st March, 1968, to 31st March, 1969, 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 \$3,679,218 ; at the completion of the second step, by an additional amount of \$15,659,329 ; and at the completion of the third step, by a further \$2,971,105. On the combined result of the three steps, Victoria's grant for 1968-69 was \$22,309,652 higher than that for the previous year.

In 1968-69, Victoria also received from the Commonwealth a further grant of \$2,998,680 by way of special revenue assistance. This grant was received in accordance with Section 3 of the *States Grants (Special Financial Assistance) Act 1969*, under which an amount of \$12,000,000 was made payable to the States in proportion to the amounts respectively payable to them during the year under the statutory formula in respect of financial assistance grants.

Commonwealth grants to Victoria in the nature of financial assistance grants from and inclusive of 1964-65 are shown hereunder :—

Year.	Grant.	
	\$	
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
1968-69	Financial Assistance Grant	250,563,170
	Special Revenue Assistance	2,998,680

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.				1966-67.	1967-68.	1968-69.
				\$	\$	\$
Direct	..	..	..	75,630,899	79,384,112	90,227,192
Stamps Acts	..	..	..	48,573,523	61,514,369	82,764,202
Registrations, &c.	..	..	..	727,624	956,901	1,170,523
Licences	..	..	..	10,435,181	11,180,813	12,472,066
Total Taxation	..	..		135,367,227	153,036,195	186,633,983

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 :—1966-67, \$34,997,376 ; 1967-68, \$37,642,192 ; and 1968-69, \$46,801,133. The increase in 1968-69 over the previous year was \$9,158,941.

Duty for 1968-69 amounting to \$46,225,048 was collected by the Commissioner of Probate Duties and \$576,085 by the Public Trustee. The aggregate value of new estates assessed increased from \$261 million in 1967-68 to \$304 million in 1968-69. According to Taxation Office records, payments to revenue in advance of the issue of an assessment amounted to \$5,077,483 whereas in 1967-68 the amount was \$3,071,409.

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

As at 30.6.68—\$3,450,174 ; collected—\$3,051,865 in 1968-69.

As at 30.6.69—\$4,654,056 ; to be collected in 1969-70.

Land Tax.—Receipts from Land Tax for the past three years were :—1966-67, \$21,132,065 ; 1967-68, \$20,976,256 ; and 1968-69, \$21,838,970. Receipts for 1968-69 showed an increase of \$862,714 compared with 1967-68.

The *Land Tax Act* 1968 exempted from Land Tax land used for primary production and increased the rate of tax on land of a higher taxable value than \$25,000.

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 1968-69 was \$2,604,908 compared with \$2,496,945 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 1968–69, the commission was thirteen per cent. except in the case of the off-course daily double on horse races (other than trotting races) where, under the provisions of the *Racing (Amendment) Act* 1968, which came into operation on 1st July, 1968, the commission was fourteen 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 all investments except daily doubles on horse races (other than trotting)—

(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 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 daily doubles on horse races (other than trotting)—

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

(b) to a Treasury Trust Account † (Totalizator Agency Board Trust Account) for application by the Treasurer for or towards recouping racing clubs expenses associated with the establishment of the Totalizator Agency Board and the financing of its operations—one fifty-sixth ;

(c) to the Race-courses Development Fund established under Section 126 of the *Racing (Amendment) Act* 1968—one fourteenth ; and

(d) to the Totalizator Agency Board to be expended in terms of the *Racing Act* 1958—the remaining four sevenths.

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 1968–69, the sum of \$12,462,183 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 \$57,308.

* 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.

† 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 fourteenths.

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

	1967-68.				1968-69.			
	Horse Races.	Trotting Races.	Dog Races.	Total.	Horse Races.	Trotting Races.	Dog Races.	Total.
	\$	\$	\$	\$	\$	\$	\$	\$
PERCENTAGES—								
<i>Win and Place—</i>								
Metropolitan ..	2,397,383	422,322	299,814	..	2,552,426	442,091	429,255	..
Country ..	1,033,557	367,155	6,238	..	1,113,025	460,830	8,802	..
Interstate ..	545,055	..	..	..	607,512	..	..	..
<i>Doubles and Quinella—</i>								
Metropolitan ..	554,867	145,171	124,063	..	581,520	153,315	153,885	..
Country ..	56,702	16,216	11,778	..	56,365	23,573	16,904	..
<i>Daily and Feature Doubles</i>	2,642,107	699,527	484,692	..	2,862,200	826,105	686,057	..
	7,229,671	1,650,391	926,585	9,806,647	7,773,048	1,905,914	1,294,903	10,973,865
FRACTIONS—								
<i>Win and Place—</i>								
Metropolitan ..	709,344	110,877	73,026	..	437,591	109,699	97,766	..
Country ..	353,338	137,823	2,799	..	323,118	131,456	3,823	..
Interstate ..	163,950	..	..	..	111,968	..	..	..
<i>Doubles and Quinella</i>								
Metropolitan ..	29,664	9,213	10,955	..	7,821	10,553	10,394	..
Country ..	7,734	5,313	1,616	..	5,868	2,500	1,886	..
<i>Daily and Feature Doubles</i>	85,656	39,804	18,604	..	77,166	38,816	27,781	..
	1,349,686	303,030	107,000	1,759,716	963,532	293,024	141,650	1,398,206
DIVIDENDS UNCLAIMED ..	..	..	..	94,291	..	..	..	90,112
CREDITS TO CONSOLIDATED REVENUE ..	..	..	..	11,660,654*	..	..	..	12,462,183*

* On-course—1967-68, \$3,862,313 ; 1968-69, \$3,587,895.

Off-course—1967-68, \$7,798,245 ; 1968-69, \$8,874,288.

Actab arrears—1967-68, \$96.

In addition to the \$12,462,183 paid into Consolidated Revenue and specially appropriated to the Hospitals and Charities Fund, moneys were credited to accounts within the Treasury Trust Fund as follows :—

- (i) \$461,334 to the Totalizator Agency Board Trust Account—for distribution to race clubs in terms of the *Racing (Totalizators Extension) Act 1960* ; and
- (ii) \$576,830 to the Race-courses Development Fund—to meet the cost and expenses incurred by the Race-courses Licences Board and to provide financial assistance to race clubs as determined by the *Racing (Amendment) Act 1968*.

An amount of \$185,845 was received, also, from the Totalizator Agency Board and credited to Consolidated Revenue—Miscellaneous Receipts. This was the balance of the Board's Computer Variance Account and represented mainly the net result of adjustments made in respect of investments which, for reasons associated with the functioning of the Board's computer system in the initial stages, could not be dealt with in accordance with any appropriate provision under the *Racing Act 1958*.

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—1966-67, \$20,300,000 ; 1967-68, \$19,420,000 ; and 1968-69, \$19,440,000.

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 \$5,989,851 was paid into Consolidated Revenue in 1968-69, compared with \$6,409,811 in 1966-67 and \$6,085,270 in 1967-68. 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 1968-69, the Funds were credited with \$5,374,851 and \$615,000 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 \$141,624 compared with \$138,372 in the previous year.

As at 30th June, 1969, the Tasmanian share of duty for consultations drawn late in May and in June amounted to \$12,202. This amount 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. The current agreement, which is to continue for three years from 1st July, 1967, has the effect that the New Zealand Government, instead of receiving, as formerly, an amount equal to one half of the duty on New Zealand subscriptions, receives an amount equal to two-thirds of that duty.

Payments to the Government of New Zealand during the year amounted to \$250,845 compared with \$261,638 in 1967-68. As at 30th June, 1969, an amount of \$56,191, equivalent to \$55,445 (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, 1969, were respectively, \$84,856,284, \$5,431,707 and \$1,234,691.

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 were fulfilled.

Unpaid prizes for consultations drawn during the period 1954-55 to 1965-66 (inclusive) amounted to \$221,956. 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 :—

	1966-67.	1967-68.	1968-69.
	\$	\$	\$
Other Stamp Duty	36,617,249	48,807,635	69,495,746
Duty on Insurance Business	8,585,753	9,270,268	9,837,650
Turnover Tax on Bookmakers' Transactions	3,058,140	3,131,800	3,117,496
Betting Tickets	219,394	212,378	224,642
Bookmakers' Certificates, etc.	92,987	92,288	88,668
Total	48,573,523	61,514,369	82,764,202

As indicated in the preceding statement, revenue from Other Stamp Duty was in excess of that for the previous year by \$20,688,111.

Legislation which had the effect of varying revenue from Other Stamp Duty is referred to hereunder :—

- (i) The *Stamps Act* 1967, Sections 1 and 4 to 10 of which had operated from 1st December, 1967, and Sections 2 and 3 from 1st February, 1968, operated for a full year in 1968-69. This Act had varied receipt duty generally and the application of duty and, with certain exceptions, had imposed receipt duty on the receipt of salaries and wages.
- (ii) The *Stamps (Amendment) Act* 1969 exempted from duty, from 1st February, 1969, certain receipts in "proclaimed" States which had previously been dutiable in Victoria and imposed duty, from 1st June, 1969, on certain entries in company branch share registers.

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) bulk receipt duty	(increase) 16,480,943
(ii) duty on real estate dealings	(increase) 1,422,444
(iii) duty on credit and rental business (registered persons)	(increase) 893,152
(iv) duty on share sales and gifts	(increase) 589,003
(v) duty on applications for registration and notices of acquisition of motor cars	(increase) 539,497

Licences.

The Licensing Fund Payment.—As from 1st July, 1968, the *Liquor Control Act 1968*, which is administered by the Liquor Control Commission, came into operation and repealed the *Licensing Act 1958*.

The revenue of The Licensing Fund consists mainly of fees charged to hotelkeepers (\$7,643,205), wholesale and retail liquor merchants (\$2,157,622), and clubs (\$432,970).

In accordance with the provisions of the *Liquor Control Act 1968*, the surplus of receipts over payments for 1968–69 was transferred to Consolidated Revenue. Under the repealed legislation, annual payments from the Fund were made to the Police Superannuation Fund and to municipalities. The *Liquor Control Act 1968* does not provide for any such payments. Consequently, the transfer to Consolidated Revenue for 1968–69 was higher than it would have been under the *Licensing Act 1958*.

The *Municipalities (Commutation of Licensing Payments) Act 1968*, provides for payments to municipalities in substitution for the payments previously made from The Licensing Fund. Under this Act, each municipality is to receive, in or before February, 1972, a lump sum capital payment (which must be paid in the month of February) equal to seventeen times the amount paid to that municipality in March, 1968, under the relevant Part of the *Licensing Act 1958*. Until the lump sum capital payment is made to the municipality, the municipality is to continue to receive an annual payment equal to the amount it received in March, 1968, from The Licensing Fund. All payments made under the commutation Act are to be charged to the Loan Fund.

A comparative statement of receipts and payments of The Licensing Fund covering the period 1st July, 1966, to 30th June, 1969, is given hereunder :—

	1966-67.	1967-68.	1968-69.
	\$	\$	\$
Balance 1st July	661,471	661,471	661,471
Receipts—			
Licences	8,845,324	9,580,089	10,460,687
Permits	114,432	128,704	134,257
Fees and Fines	64,586	76,251	65,811
Interest on Investments	20,104	20,104	20,104
Miscellaneous	1,390	2,218	827
Total Receipts for the Year	9,045,836	9,807,366	10,681,686
Payments—			
Salaries and other Administrative Expenses	186,696	211,712	233,526
Cost of policing Act	135,517	151,470	154,171
Payments to Municipalities.. .. .	111,104	110,704	..
Payment to Police Superannuation Fund	46,000	46,000	..
Compensation	3,200	11,700	18,600
Total Payments for the Year	482,517	531,586	406,297
Transfer to Consolidated Revenue	8,563,319	9,275,780	10,275,389
Balance 30th June	661,471	661,471	661,471
Percentage of Revenue Transfer to Total Receipts	94.7	94.6	96.2

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, \$153,450, net collections credited to Consolidated Revenue on this account, in 1968–69, amounted to \$1,459,082.

COMPARISON WITH BUDGET.

The following statement shows the variations of Revenue Receipts from the Budget Estimate in 1968-69.

—	Budget Estimate.	Revenue.	+ Excess — Deficiency
PART I.	\$	\$	\$
Taxation—			
Probate Duty	40,500,000	46,801,133	+ 6,301,133
Land Tax	21,000,000	21,838,970	+ 838,970
Entertainments Tax	535,000	530,139	— 4,861
Motor Car Third-party Insurance—Surcharge	2,625,000	2,604,908	— 20,092
Totalizator	12,000,000	12,462,183	+ 462,183
Tattersall Duty	5,900,000	5,989,851	+ 89,851
Betting and Bookmakers' Turnover Tax	3,565,000	3,430,807	— 134,193
Duty on Insurance Business	9,850,000	9,837,650	— 12,350
Other Stamp Duty	64,400,000	69,495,746	+ 5,095,746
Registration Fees—Factories, Shops, &c.	1,070,000	1,170,523	+ 100,523
Licensing Fund Payment	9,600,000	10,275,389	+ 675,389
Auctioneers' and other Licences	2,188,500	2,196,677	+ 8,177
Other .. .. .	..	7	+ 7
	173,233,500	186,633,983	+ 13,400,483
Recoveries of Debt Charges—			
Country Roads Board	2,222,000	2,228,213	+ 6,213
Home Builders' Account	4,186,000	4,260,937	+ 74,937
Housing Commission	17,388,600	17,486,603	+ 98,003
Rural Finance and Settlement Commission	1,336,000	1,361,241	+ 25,241
Soldier Settlement	950,000	1,022,839	+ 72,839
State Electricity Commission	14,020,000	13,897,321	— 122,679
Water and Sewerage Authorities	1,950,000	2,065,966	+ 115,966
Other	1,760,900	1,996,558	+ 235,658
	43,813,500	44,319,678	+ 506,178
Land Revenue—			
Lands	2,490,000	2,416,088	— 73,912
Mining	382,000	319,395	— 62,605
Royalties—Brown Coal	563,500	563,018	— 482
	3,435,500	3,298,501	— 136,999
Harbor Revenue—			
Harbor Trust Contribution	1,450,000	1,500,489	+ 50,489
Westernport	1,100,000	1,112,417	+ 12,417
Other	894,500	922,248	+ 27,748
	3,444,500	3,535,154	+ 90,654
Fees and Charges for Departmental Services—			
Fees—Titles Office, Registrar-General, &c.	4,860,000	4,843,047	— 16,953
Recoups—Departmental Services	19,185,000	19,175,500	— 9,500
	24,045,000	24,018,547	— 26,453
Business Undertakings—			
Forests Commission	5,796,000	5,596,001	— 199,999
State Rivers and Water Supply Commission	12,650,000	12,358,855	— 291,145
State Coal Mine	100,000	149,632	+ 49,632
	18,546,000	18,104,488	— 441,512
Miscellaneous Receipts—			
Fines	4,700,000	5,016,940	+ 316,940
Interest on Public Account	2,450,000	2,830,312	+ 380,312
Rents and Hirings	1,200,000	1,124,749	— 75,251
Commonwealth Advances—Water Resources	159,400	159,400	..
Advanced Education	3,188,500	3,194,302	+ 5,802
Statutory Corporation Payments	6,800,000	6,825,000	+ 25,000
Tuberculosis Arrangement—Commonwealth Payment	3,276,000	3,228,246	— 47,754
State Accident Insurance—Appropriation of Portion of Surplus	1,300,000	1,300,000	..
Other	1,833,000	2,449,457	+ 616,457
	24,906,900	26,128,406	+ 1,221,506

COMPARISON WITH BUDGET—*continued.*

—	Budget Estimate.	Revenue.	+ Excess - Deficiency
PART I.—<i>continued.</i>	\$	\$	\$
Commonwealth Payments to State—			
Commonwealth and States Financial Agreement ..	4,254,318	4,254,318	..
States Grants Acts	247,700,000	253,561,850	+ 5,861,850
	251,954,318	257,816,168	+ 5,861,850
Total Revenue Part I.	543,379,218	563,854,925	+ 20,475,707
PART II.			
Railways	107,292,000	100,328,517	- 6,963,483
Total Revenue Part II.	107,292,000	100,328,517	- 6,963,483
Total Revenue	650,671,218	664,183,442	+ 13,512,224

Expenditure.

The expenditure charged against revenue was more than the outlay for 1967-68 by the amount of \$62,522,480. A comparison of the figures for the two years separated into annual appropriation and special appropriation is given in the following statement :—

		ANNUAL APPROPRIATION.			
		1967-68.		1968-69.	
		\$		\$	
<i>Part I.—</i>					
Education	.. ..	158,178,333	..	181,742,299	Increase 23,563,966
Health	.. ..	56,629,067	..	65,385,196	„ 8,756,129
Chief Secretary	.. ..	40,054,741	..	43,384,881	„ 3,330,140
Treasurer	.. ..	29,093,478	..	33,673,283	„ 4,579,805
Water Supply	.. ..	11,965,828	..	12,477,095	„ 511,267
Public Works	.. ..	8,409,766	..	8,949,441	„ 539,675
Agriculture	.. ..	7,407,723	..	8,447,183	„ 1,039,460
Attorney-General	.. ..	7,390,012	..	7,963,751	„ 573,739
Lands and Survey	.. ..	3,755,139	..	3,936,220	„ 181,081
Forests	.. ..	3,480,651	..	3,312,103	Decrease 168,548
Premier	.. ..	2,897,145	..	3,203,615	Increase 306,470
Labour and Industry	.. ..	1,314,730	..	1,449,635	„ 134,905
Mines	.. ..	1,111,704	..	1,251,546	„ 139,842
Local Government	.. ..	670,449	..	789,885	„ 119,436
Parliament	.. ..	579,213	..	804,606	„ 225,393
Other	.. ..	168,982	..	173,428	„ 4,446
State Coal Mine	.. ..	651,397	..	405,896	Decrease 245,501
		333,758,358	..	377,350,063	Increase 43,591,705
<i>Part II.—</i>					
Railways	.. ..	99,484,491	..	105,446,063	Increase 5,961,572
		99,484,491	..	105,446,063	„ 5,961,572
Total Annual Appropriation	.. ..	433,242,849	..	482,796,126	Increase 49,553,277
SPECIAL APPROPRIATION.					
<i>Part I.—</i>					
Interest including Exchange*	.. ..	108,447,786	..	117,200,888	Increase 8,753,102
National Debt Sinking Fund	.. ..	18,620,278	..	20,029,165	„ 1,408,887
Repayment of Advances—Commonwealth—State Housing and Soldier Settlement	.. ..	4,069,267	..	4,388,234	„ 318,967
Loan Expenses	.. ..	62,054	..	57,320	Decrease 4,734
		131,199,385	..	141,675,607	Increase 10,476,222
Less Charged Railways (Part II.)		5,746,582	..	6,614,909	„ 868,327
		125,452,803	..	135,060,698	„ 9,607,895
Hospitals and Charities Fund (Totalizator)	.. ..	11,660,654	..	12,462,183	„ 801,529
Pensions	.. ..	7,870,306	..	9,038,710	„ 1,168,404
Hospitals and Charities and Mental Hospitals Funds (Tattersall)	.. ..	6,085,270	..	5,989,851	Decrease 95,419
Endowments and Grants	.. ..	5,013,741	..	5,098,645	Increase 84,904
Other	.. ..	3,330,251	..	3,685,225	„ 354,974
		159,413,025	..	171,335,312	Increase 11,922,287
<i>Part II.—</i>					
Railways—Debt Charges	.. ..	5,746,582	..	6,614,909	Increase 868,327
Pensions	.. ..	5,272,600	..	5,451,189	„ 178,589
Other	.. ..	446,950	..	446,950	.. ..
		11,466,132	..	12,513,048	Increase 1,046,916
Total Special Appropriation	.. ..	170,879,157	..	183,848,360	Increase 12,969,203
Total Expenditure Charged Against Revenue†	.. ..	604,122,006	..	666,644,486	Increase 62,522,480

* Additional interest voted in 1967-68, \$87,840, and in 1968-69, \$91,723.

† 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 B 1-2.

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	792,841	791,190	1,651	13,416	804,606
Premier	3,218,442	3,176,568	41,874	27,047	3,203,615
Chief Secretary	43,176,474	42,815,197	361,277	569,684	43,384,881
Labour and Industry	1,444,460	1,430,487	13,973	19,148	1,449,635
Education	181,935,182	180,156,058	1,779,124	1,586,241	181,742,299
Attorney-General	7,843,089	7,704,639	138,450	259,112	7,963,751
Treasurer	34,366,183	33,453,213	912,970	220,070	33,673,283
Lands and Survey	3,979,465	3,925,473	53,992	10,747	3,936,220
Public Works	9,065,076	8,879,832	185,244	69,609	8,949,441
Local Government	810,548	776,487	34,061	13,398	789,885
Mines	1,255,150	1,238,981	16,169	12,565	1,251,546
Agriculture	8,623,310	8,358,531	264,779	88,652	8,447,183
Health	65,142,651	64,647,689	494,962	737,507	65,385,196
Fuel and Power	48,192	46,591	1,601	..	46,591
Railway Construction	98,406	97,156	1,250	1,894	99,050
Transport	29,477	27,787	1,690	..	27,787
Forests	3,497,679	3,279,266	218,413	32,837	3,312,103
Water Supply	12,692,047	12,454,666	237,381	22,429	12,477,095
State Coal Mine	412,218	405,896	6,322	..	405,896
	378,430,890	373,665,707	4,765,183	3,684,356	377,350,063
<i>Annual Appropriation.—Part II.</i>					
Railways	107,311,562	105,446,063	1,865,499	..	105,446,063
Total Annual Appropriation	485,742,452	479,111,770	6,630,682	3,684,356	482,796,126
<i>Special Appropriation—</i>					
Part I.	171,335,312	171,335,312	..	..	171,335,312
Part II.	12,513,048	12,513,048	..	..	12,513,048
Total Special Appropriation	183,848,360	183,848,360	..	..	183,848,360
Grand Total	669,590,812	662,960,130	6,630,682	3,684,356	666,644,486

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, 1969:—

Expenditure pending Parliamentary sanction to—							\$
Final Supplementary Estimates for 1968-69	..	..	..	..	..	..	3,684,356
Loan Application Acts	..	..	..	..	..	..	228,379
Total	..	..	..	..	..	..	<u>3,912,735</u>

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 \$3,684,356 and \$228,379 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 \$146,693,041 on account of moneys raised for works and associated purposes during the year, compared with \$139,855,889 in the previous year—an increase of \$6,837,152. 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 \$154,707,490.

These transactions may be summarized as follows :—

	\$	\$
Liability—		
Australian Loans .. .. .	..	146,693,041
Less—		
Discounts Capitalized	73,041	
Expenses of Flotation, &c.	279,086	
	..	352,127
		146,340,914
Repayments .. .. .	..	8,153,686
Net Receipts—Raisings and Repayments .. .. .	..	154,494,600
Balance forward 1st July, 1968 .. .. .	..	264,472
		154,759,072
Total Loan Cash Available .. .. .	..	154,759,072
Works—		
Under Parliamentary Authority	154,479,111	
Charged to Treasurer's Advance Pending Authority	228,379	
	..	154,707,490
Loan Cash on Hand at 30th June, 1969 .. .. .	..	51,582

Loan transactions for the year had the effect of increasing the State's liability under the Financial Agreement from \$1,972,987,630, at 30th June, 1968, to \$2,096,154,180 at 30th June, 1969. There is, however, additional liability to the Commonwealth of \$483,438,721 in respect of advances for housing purposes under the Commonwealth—State Housing Agreement, \$13,169,334 for special assistance loans for soldier settlement and \$5,730,000 in respect of repayable loans made by the Rural Finance and Settlement Commission from funds provided for drought relief.

Loan Raisings.

Details of the terms and conditions in respect of \$146,693,041, the Victorian proportion of raisings for works and associated purposes by way of public issues and the sale of Special Bonds are as follows :—

Rate %	Maturity Date.	Price of Issue.	Loan No. 181.	Loan No. 182.	Loan No. 184.	Loan No. 186.	Loan No. 187.	Special Bonds.	Total.
		\$	\$	\$	\$	\$	\$	\$	\$
4·8	15.2.71	99·8	7,981,000	..	..	..	..	..	7,981,000
4·9	15.5.71	99·85	..	4,146,000	..	..	..	..	4,146,000
5	15.9.71	Par.	..	..	17,047,100	..	..	..	17,047,100
5	15.5.74	99·4	..	..	5,050,000	..	..	..	5,050,000
5	15.2.78	99·2	2,570,000	..	..	..	..	..	2,570,000
5·2	15.5.72	Par.	..	..	..	9,996,600	9,181,000	..	19,177,600
5·25	15.11.78	"	..	1,891,000	..	..	..	..	1,891,000
5·25	15.2.90	"	8,131,000	..	..	..	..	..	8,131,000
5·25	15.2.04	"	14,477,000	..	..	..	..	..	14,477,000
5·3	15.4.76	"	..	..	..	2,331,200	2,730,000	..	5,061,200
5·3	15.11.80	"	..	..	3,233,700	..	..	..	3,233,700
5·4	15.7.83	"	..	..	..	5,460,800	2,978,000	..	8,438,800
5·4	15.5.87	"	..	..	17,340,800	..	..	..	17,340,800
5·4	15.5.90	"	..	5,529,000	..	..	..	..	5,529,000
5·4	15.11.94	"	..	..	..	1,045,000	7,940,000	..	8,985,000
5·4	15.2.00	"	..	..	6,064,700	..	..	..	6,064,700
5·4	15.5.04	"	..	1,160,000	..	1,563,200	4,961,741	..	7,684,941
4·6	1.10.75	"	..	..	..	..	..	861,700	861,700
4·8	1.7.76	"	..	..	..	..	..	970,900	970,900
5	1.3.77	"	..	..	..	..	..	2,051,600	2,051,600
			33,159,000	12,726,000	48,736,300	20,396,800	27,790,741	3,884,200	146,693,041

Expenses associated with the raising of loans for works purposes were met from the Loan Fund, a total amount of \$278,911 being so charged during the year. The expenses in respect of loan No. 186 and Special Bonds "R" and "S" 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 1968-69 are :—

Securities Dealt With.		Redeemed by Sinking Fund (a) Loan Fund (b).	Converted to—									Special Bonds.
Rate and Maturity.	Amount.		4.9% 15.5.71 @ 99.85.	5% 15.9.71 @ Par.	5% 15.5.74 @ 99.4.	5.25% 15.11.78 @ Par.	5.3% 15.11.80 @ Par.	5.4% 15.5.87 @ Par.	5.4% 15.5.90 @ Par.	5.4% 15.2.00 @ Par.	5.4% 15.5.04 @ Par.	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
4.5 15.11.68	110,226,320	8,308,220(a) 19,700,000(b)	29,770,000	..	..	23,730,000	..	..	18,918,100	..	8,070,000	1,730,000
5 15.2.69	17,779,000	1,641,450(a) 1,867,550(b)	..	7,976,000	3,020,000	..	1,765,000	919,000	..	518,000	..	72,000
5.25 1.1.69	7,478,096	2,652,096(b)	..	..	..	..	..	..	..	..	..	4,826,000
	135,483,416	9,949,670(a) 24,219,646(b)	29,770,000	7,976,000	3,020,000	23,730,000	1,765,000	919,000	18,918,100	518,000	8,070,000	6,628,000
			101,314,100									

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

Issued for Redemption Purposes.				For Redemption of—		
Rate Per Cent.	Maturity Date.	Price of Issue.	Amount.	\$19,700,000 (4.5%—15.11.68).	\$1,867,550 (5%—15.2.69).	\$21,567,550 (Total Loans).
		\$	\$	\$	\$	\$
4.9	15.5.71	99.85	6,400,000	6,400,000	..	6,400,000
5	15.9.71	Par.	657,000	..	657,000	657,000
5	15.5.74	99.4	75,000	..	75,000	75,000
5.25	15.11.78	Par.	2,925,600	2,925,600	..	2,925,600
5.3	15.11.80	"	126,000	..	126,000	126,000
5.4	15.5.87	"	682,000	..	682,000	682,000
5.4	15.5.90	"	8,589,000	8,589,000	..	8,589,000
5.4	15.2.00	"	328,000	..	328,000	328,000
5.4	15.5.04	"	1,795,000	1,795,000	..	1,795,000
..	..	..	21,577,600	19,709,600	1,868,000	21,577,600

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 "P".	Series "Q" and "R".
		\$	\$	\$	\$
F	1.1.69	2,652,096	2,874,824	34,782	2,840,042
G	1.10.69	328,700	335,274	31,620	303,654
H]	1.6.70	370,800	378,216	55,182	323,034
I	1.10.70	648,700	659,852	74,336	585,516
J	1.6.71	200,300	202,303	25,250	177,053
K	1.1.72	991,600	995,559	85,100	910,459
L	1.10.72	938,400	947,784	93,930	853,854
M	1.8.73	371,400	374,770	34,400	340,370
N	1.3.74	1,109,100	1,111,483	117,000	994,483
O	1.4.75	682,200	682,200	54,000	628,200
P	1.10.75	376,400	376,400	..	376,400
Q	1.4.76	52,800	52,800	..	52,800
	..	8,722,496	8,991,465*	605,600*	8,385,865

* In addition, Series "P" provided \$54,836 capital accretion re Series "E" matured 1.6.68.

Loan Expenditure.

The net loan expenditure in the year 1968-69 according to Treasury records was \$154,707,490 compared with \$148,383,211 for 1967-68. Details of this loan expenditure together with advances under the Commonwealth-State Housing Agreement and certain drought relief advances from Commonwealth funds are shown below :—

	1967-68.	1968-69.
	\$	\$
School Buildings	30,283,583	32,112,941
Country Water and Sewerage Works	19,426,300	19,422,804
Railways	16,614,091	16,901,101
Electricity Commission	14,500,000	15,750,000
Hospitals	12,534,993	12,808,641
Mental Hospitals	4,790,240	4,343,305
Country Roads	1,652,000	4,089,000
Drought Relief	655,891	3,330,619
Westernport Development and Harbor Facilities	547,276	3,096,345
Universities—		
La Trobe	2,015,897	3,068,750
Melbourne	1,584,508	1,342,895
Monash	1,565,000	1,357,750
Forests	2,759,101	3,019,983
Public Offices	4,324,271	2,800,138
Court Houses	2,102,363	2,776,375
Slum Reclamation	2,684,979	2,666,831
Municipal Subsidies	2,397,812	2,579,873
Victoria Institute of Colleges and Colleges of Advanced Education	2,445,182	2,329,813
Vermin and Noxious Weeds	2,084,010	2,143,396
National Art Gallery and Cultural Centre	3,500,000	2,046,000
Land Settlement	2,307,788	1,927,483
Police Buildings	807,888	1,595,364
Social Welfare	1,666,119	1,458,065
Rural Finance	1,660,000	1,200,000
Agriculture	1,574,537	1,105,191
Advances—Sundry	633,183	1,075,320
Sanatoria and General Health	267,107	633,640
Soil Conservation	664,289	503,982
Gas and Fuel Corporation—Share Capital	60,000	80,000
Other Public Works	6,274,803	7,141,885
In Aid of Revenue	4,000,000	..
Total within Financial Agreement	148,383,211	154,707,490
Commonwealth—State Housing Agreement	33,765,534	36,038,313
Drought Relief	2,850,000	2,880,000
	184,998,745	193,625,803

Public Debt under the Financial Agreement.

The Public Debt statement in the Treasurer's Finance Statement shows that the total indebtedness at 30th June, 1969, amounted to \$2,106,330,531. Of this, \$2,033,067,239 represented internal and \$73,263,292 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 \$2,096,154,180, an increase of \$123,166,550 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 .. ..	..	2,428,887,324
<i>Plus</i> —Unapportioned Liability—Loan Cash on Hand .. ..	..	51,582
		<u>2,428,938,906</u>
<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	
		<u>29,191,152</u>
		2,399,747,754
<i>Less</i> —Equity in National Debt Sinking Fund—Cancelled Securities ..	..	293,417,223
Total Indebtedness .. .. .	..	<u>2,106,330,531</u>
<i>Less</i> —Share of Cash—National Debt Sinking Fund .. ..	..	10,176,351
State's Capital Liability to Commonwealth under the Financial Agreement ..		<u>2,096,154,180</u>

As already mentioned, there is additional liability to the Commonwealth of \$483,438,721 for loans for housing purposes, \$13,169,334 for special assistance loans for soldier settlement and \$5,730,000 in respect of loans from drought relief funds.

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

	\$
Interest—On Funded Debt	98,993,393
Loan Conversion and Management Expenses and Expenses of Paying Interest ..	399,771
	<u>99,393,164</u>
Total Interest and Expenses (excluding interest on Commonwealth advances for Housing and Soldier Settlement and interest paid on Deposits)	99,393,164
Sinking Fund—State's Contribution to National Debt Sinking Fund.. ..	20,029,165
	<u>119,422,329</u>
Total Debt Charges	119,422,329
The comparable figure for the previous year was	<u>110,686,090</u>

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, 1968 .. .. .	..	45,726
Contributions 1968-69—		
<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 ..	4,848,303	
	<u> </u>	5,189,175
<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 ..	4,742,279	
4 per cent. per annum on deficit loans	1,762,438	
·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	338,836	
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	12,324,802	
	<u> </u>	20,029,165
		<u>25,264,066</u>
Net interest payable .. .. .	..	51,723
		<u>25,212,343</u>
Securities repurchased and redeemed, \$13,792,322, at a cost of .. ..	..	15,035,992
Balance of cash in Sinking Fund at 30th June, 1969 .. .. .	..	<u>10,176,351</u>

The total amount of securities repurchased or redeemed and cancelled on account of this State since the inception of the scheme is now \$293,417,224 at a cost, including exchange on overseas purchases, of \$310,691,582.

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 1968-69 aggregating \$659,100,373 and credits, \$669,514,746.

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.	1968-69.		Balance 30th June, 1969.
		Debits.	Credits.	
Aboriginal Housing (Commonwealth) Trust Account	To record transactions relative to moneys paid to the State by the Commonwealth for the purposes of aboriginal housing	\$ 158,456	\$ 210,333	\$ 51,877
Commonwealth Grant (King River Dam) Trust Account	To record transactions relative to moneys paid to the State by the Commonwealth in connection with the construction of a dam on the King River south of Cheshunt	4,827	15,000	10,173
Foot and Mouth Disease Eradication Fund	Pursuant to Sections 40 and 41 of the <i>Stock Diseases Act</i> 1968 to record the receipt of moneys in terms of the Act and the application of those moneys towards the control and eradication of outbreaks of foot and mouth disease or other proclaimed disease and the payment of compensation to property and stock owners	..	40	40
Intellectually Handicapped Children's Amenities Account	To provide amenities for intellectually handicapped children under the care of the Mental Health Authority from moneys appropriated from Consolidated Revenue, being the equivalent of child endowment payments collected by the Authority from the Commonwealth in respect of children under the age of 16 years maintained in the Authority's institutions for a period longer than one month	..	134,787	134,787
James L. McCashney Mem- orial Scholarship Trust Account	To record transactions relative to a donation of U.S. \$20,000 received from a sister of the late J. L. McCashney, a former Secretary of the Department of Agriculture, for the purpose of awarding scholarships to officers of the Department (as determined by the Minister on the recommendation of the Trustees.)	17,980	18,519	539
Lake Corangamite Improve- ment Account	Pursuant to Section 7 of the <i>Lake Corangamite Act</i> 1966 to record the receipt of moneys payable to the Crown in respect of leases or licences granted over lands to which the Act applies and the disbursement of those moneys in connection with the construction maintenance, improvement and management of works undertaken by the State Rivers and Water Supply Commission in terms of the Act	..	71	71
National Soil Fertility Trust Account	To record the receipt and disbursement of moneys made available by three major fertilizer companies for research into the chemical fertility of soil by the Department of Agriculture in conjunction with the Commonwealth Scientific and Industrial Research Organization	..	9,000	9,000
Ornamental Plant Research Trust Account	To receive contributions from State Funds and various organizations towards a programme of research in connection with diseases of ornamental plants	..	10,174	10,174
Parliamentary Contributory Superannuation Fund	To account for contributions and other income received in accordance with the provisions of the <i>Parliamentary Salaries and Superannuation Act</i> 1968 towards the payment of pensions, superannuation benefits, retiring allowances, etc. to former members of Parliament, their widows or legal representatives	523,236	523,236	Nil
Race-courses Development Fund	To record financial transactions relative to commission deducted from investments with the Totalizator Agency Board on the daily double, pursuant to Section 126 of the <i>Racing (Amendment) Act</i> 1968	642,047	1,210,851	568,804
State Grants (Pre-School Teachers Colleges) Trust Account	To record transactions relative to moneys paid to the State by the Commonwealth for the purpose of expanding the present output of trained pre-school teachers in Victoria	20,000	20,000	Nil
State Grants (Secondary Schools Libraries) Trust Account	To record transactions relative to moneys paid to the State by the Commonwealth for the purpose of providing financial assistance for libraries at Secondary Schools	..	500,000	500,000
Victorian Bush Fires Relief Account (1969)	To account for all funds received and expended in the relief of victims of bushfires in Victoria during 1969	784,471	787,175	2,704
Water Research Committee Scientific Research Fund	To receive donations from business houses and private persons for research to be carried out by the State Rivers and Water Supply Commission	..	5,000	5,000

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 1968-69.

Account.	Balance at Date of Closing.	Remarks.
	\$	
Commonwealth Aid Oil Search Account	799	This account was established in 1934-35 for the purpose of financing drilling operations carried out by the Mines Department in the search for oil in the State of Victoria. Funds were provided by the Commonwealth and State Governments in equal shares. Drilling operations ceased in 1948 before the funds available were fully expended and a balance of \$798.60 has remained to the credit of the Account since that year. Half share of the moneys remaining in the Account was refunded to the Commonwealth and the balance was transferred to Consolidated Revenue.
Race Club Fees Suspense Account . .	1,050	These accounts were established for the purpose of receiving fees prior to transfer to Consolidated Revenue or refund to applicant. Following a review of the operation of these accounts, this practice was discontinued and the balances held in the respective accounts were transferred to Consolidated Revenue. In view of the relatively small volume of refunds made to applicants, both Sunday Entertainment and Race Club fees are now credited direct to Consolidated Revenue.
Sunday Entertainment Fees Suspense Account	1,258	
Victorian Bush Fire Relief Account (1965)	31	This account was opened to record funds provided by the State and Commonwealth Governments for the relief of victims of bush fires which occurred in Victoria in 1965. As the purpose for which the Account was established ceased to exist, an amount of \$15.64 was repaid to the Commonwealth and the remaining \$15.64 was transferred to Consolidated Revenue.
Wheat Marketing Fund . . . . .	..	This Fund was created by the <i>Wheat Marketing (Winding Up) Act 1924</i> as amended by Act No. 5236 of 1947 to provide funds towards any educational, scientific or experimental purposes likely to promote the production of wheat in Victoria. At the time of closing, this account was not operative, the balance therein being "nil".

Current Funds and Accounts.

For convenience in explaining the funds and accounts within the Trust Fund, the relevant figures for 1968-69 are set out under broad classifications in the table below :—

	Balance Forward. General Account. <i>Investments.</i>	1968-69.		Balance 30th June, 1969. General Account. <i>Investments.</i>
		Debits.	Credits.	
	\$	\$	\$	\$
Commonwealth	8,830,569	131,796,345	131,164,710	8,198,934
Commonwealth-State	705,314	376,082	360,497	689,729
Compensation and Insurance	34,567,083	66,667,138	64,714,105	32,614,050
	20,772,958	108,786	8,542,700	29,206,872
Deposit	1,151,820	516,708	576,863	1,211,975
	420,242	..	..	420,242
Depreciation	2,358,447	3,484,635	2,946,850	1,820,662
	1,606,000	100,000	..	1,506,000
Social, Health and Welfare	1,471,942	53,651,703	54,223,747	2,043,986
	672,159	215,520	228,060	684,699
Superannuation and Pension	367,801	2,383,668	2,419,636	403,769
	15,140,545	931,873	130,000	14,338,672
Suspense	14,408,356	244,327,930	245,670,482	15,750,908
Works and Development	10,753,606	60,743,106	63,460,375	13,470,875
	2,400	..	200	2,600
Other	4,460,235	93,659,228	94,476,515	5,277,522
	742,240	114,820	529,100	1,156,520
General Account	79,075,173	657,606,543	660,013,780	81,482,410
<i>Investments</i>	39,356,544	1,470,999	9,430,060	47,315,605

In addition, securities to a value of \$15,365,681 have been lodged with the Treasurer. Transactions in 1968-69 were debits \$22,831 and credits \$70,906. Further reference to these securities is made on page 44.

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	69
La Trobe University (Commonwealth Subsidy) Account	La Trobe University	74
Monash University (Commonwealth Subsidy) Account	Monash University	72
Commonwealth Poultry Industry Assistance Account	Egg and Egg Pulp Marketing Board	See Supplementary Report
Commonwealth-State Housing Trust Account	Housing Commission	„ „ „

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

Fund.	Page Reference No.
Aboriginal Housing (Commonwealth) Trust Account	45
Commonwealth Aid Roads Accounts	59
Commonwealth-State Grants (Mental Institutions) Trust Fund	83
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 1967-68 and 1968-69 :—

	1967-68.	1968-69.
	\$	\$
Balance 1st July	1,259,755	1,147,163
Received from Commonwealth during the year	4,103,385	4,160,000
	5,363,140	5,307,163
Reimbursements to Public Hospitals, &c.	4,215,977	5,171,845
Balance 30th June	1,147,163	135,318

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 1967-68 and 1968-69 :—

—	1967-68.	1968-69.
	\$	\$
Balance 1st July	40,152	130,084
Received from Commonwealth during the year ..	2,627,450	2,716,252
	2,667,602	2,846,336
Cost of milk supplied	2,510,215	2,573,563
Cost of straws and delivery thereof	22,792	26,025
Administrative expenses (Commonwealth proportion) ..	4,511	4,683
	2,537,518	2,604,271
Balance 30th June	130,084	242,065

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, 1969, amounted to \$97,670,000. The Commonwealth charges interest on these advances, and has varied the rate from time to time. During 1968-69, the rate charged was increased from 4¼ per cent. to 4·4 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, 1969, the moneys received for these purposes amounted to \$57,398,685.

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 1968-69 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, 1969, totalled \$130,175,574. All of this sum was made available to co-operative housing societies—\$86,209,071 at an interest rate of 4¼ per cent., \$10,100,708 at 4½ per cent. and \$33,865,795 at 4¾ 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 \$294,729. An amount of \$110,498 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, 1969, was \$1,854,164.

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

<i>Source of Funds—</i>	\$	\$
Balance 1st July, 1968 .. .. .	..	42,975
Advanced by Commonwealth Government .. .. .	..	10,350,000
Interest and Repayments of Principal .. .. .	..	10,374,669
Total Funds Available .. .. .	..	20,767,644
 <i>Disbursement of Funds—</i>		
Advances to Registry .. .. .	..	16,313,000
Commonwealth—Interest and Redemption .. .. .	..	4,260,937
 State of Victoria—		
Interest on Advances from Public Account .. .. .	..	11,828
Payment towards Administrative Cost .. .. .	..	110,498
		122,326
Total Disbursements .. .. .	..	20,696,263
Balance 30th June, 1969 .. .. .	..	71,381
		20,767,644

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 1968–69 totalled \$1,143,033.

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 1968–69 :—

	Colleges of Advanced Education.			Total.
	Education Department and Victoria Institute of Colleges.	Agriculture Department.	Forests Commission.	
	\$	\$	\$	\$
Balance—1st July	324,761	1,967	4,936	331,664
Commonwealth Building and Equipment Grants	2,174,100	98,500	7,600	2,280,200
Commonwealth Library Materials Grants	66,500	3,600	..	70,100
	2,565,361	104,067	12,536	2,681,964
Expenditure—Buildings and Equipment	2,179,827	136,385	13,600	2,329,812
—Library Materials	66,500	4,028	988	71,516
	2,246,327	140,413	14,588	2,401,328
Balance—30th June	319,034	<i>Dr.</i> 36,346*	<i>Dr.</i> 2,052*	280,636

* Pending receipt of next quarterly advance from Commonwealth.

In addition, an amount of \$3,194,302 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.	
	\$	\$	\$	\$
Commonwealth Grant on account of recurrent expenditure for advanced education	2,968,622	199,480	26,200	3,194,302

State Grants (Pre-School Teachers Colleges) Trust Account.

Pursuant to the provisions of the States Grants (Pre-School Teachers Colleges) Act, the Commonwealth Government provided financial assistance for building projects in connexion with pre-school teachers' colleges. A grant of \$20,000 was received during 1968-69 and a further \$1,000 was received on 1st July, 1969. A payment of \$20,000 was made to the Melbourne Kindergarten Training College during the year.

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, 1968, \$587,766 was held in the Trust Account and during the financial year a further \$3,054,700 was received from the Commonwealth. Payments of \$1,199,846 were made to registered schools and expenditure of \$1,719,155 was incurred by the Public Works and Education Departments on science laboratories and equipment in State schools. At 30th June, 1969, \$723,465 was held in the Trust Account.

State Grants (Secondary Schools Libraries) Trust Account.

Pursuant to the provisions of the State Grants (Secondary Schools Libraries) Act, the Commonwealth Government provided grants of \$500,000 towards establishing, stocking and equipping secondary school libraries. No expenditure had been incurred to 30th June, 1969.

State Grants (Teachers Colleges) Trust Account.

Pursuant to the provisions of the States Grants (Teachers Colleges) Act, the Commonwealth Government provided grants of \$1,600,000 during 1968-69 towards approved building projects in connexion with teachers' colleges. Expenditure totalled \$1,535,690 and the balance held in the Trust Account at 30th June, 1969, was \$513,920.

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 \$1,550,000 were received during 1968-69. Expenditure totalled \$1,853,681 and related to technical, agricultural and forestry school buildings and equipment. The balance held in the Trust Account at 30th June, 1969, was \$785,565.

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 76.

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	87
Railway Accident and Fire Insurance Fund	97
State Accident Insurance Fund	52
State Motor Car Insurance Fund	54

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 totalled \$92,697 and claims paid amounted to \$22,010. The surplus of \$70,687 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 1967-68 and 1968-69 are summarized below :—

	1967-68.	1968-69.
	\$	\$
Balance, 1st July	628,641	625,508
Special Appropriation	4,000	4,000
Income from Investment.. .. .	3,500	21,119
	<hr/>	<hr/>
	636,141	650,627
Expenditure	10,633	644
Balance, 30th June	<hr/>	<hr/>
	625,508	649,983
Which included Investments of	<hr/>	<hr/>
	70,000	625,000

DEPOSIT.

Items under this heading comprise securities lodged by Insurance and Trustee Companies, \$140,000 ; Contractors' and Timber Cutters' deposits, \$595,922 ; Municipalities Loan Repayment Account, \$753,607, which includes investments totalling \$280,242 ; Sundry Investments—Interest Account, \$82,688 ; and Law Department—Sureties Trust Account, \$60,000.

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	106
Forests Plant and Machinery Fund	78
Irrigation Districts Maintenance Equalization and Renewals Account	103
Printing Machinery Depreciation Fund	79
Public Works Plant and Machinery Fund	93
Railway Renewals and Replacements Fund	95
Water Supply Plant and Machinery Depreciation Fund	104
Water Supply Works Depreciation Fund	104

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	45
Hospitals and Charities Fund	84
Workers Compensation Board Fund	56

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 :—

	1967-68.	1968-69.
	\$	\$
<i>Source of Funds—</i>		
Balance from Previous Year	651	452
Government Contributions :—		
Special Appropriation—Act No. 6240	50,000	50,000
Departmental Vote—Education*	127,099	139,565
Fees and Proceeds :—		
Classes, Lectures and Discussion Groups	154,434	164,237
Schools and Conferences	33,860	33,934
Community Arts Service	1,727	1,674
Miscellaneous	1,323	2,803
	369,094	392,665
<i>Disbursement of Funds—</i>		
Administration—Salaries	115,726	119,031
Administration—General Expenses	71,498	63,274
	187,224	182,305
Classes, Lectures and Discussion Groups	139,452	156,139
Schools and Conferences	30,773	38,303
Community Arts Service	8,620	7,828
Russell-street Centre—Maintenance and Operating Costs	1,430	797
Ola Cohn Memorial Centre—Maintenance and Operating Costs	700	6,325
Miscellaneous	443	336
	368,642	392,033
<i>Balance at End of Year</i>	452	632
	369,094	392,665

* Includes an amount equivalent to rentals received into Consolidated Revenue in respect of Russell-street premises, 1967-68, \$648 ; 1968-69, \$1,109.

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 1968-69, duty paid amounted to \$5,989,851. The sum of \$615,000 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, 1969 :—

<i>Receipts.</i>	During the Year.	Total.
	\$	\$
Balance 1st July, 1968	6,845	..
Special Appropriations— <i>Tattersall Consultations Act 1958</i>	615,000	8,804,346
	621,845	8,804,346
 <i>Payments.</i>		
Capital Works .. .. .	..	622,000
Maintenance Works .. .. .	..	300,000
General Expenditure (State Institutions) .. .. .	..	3,360,216
Maintenance Grants (Other Institutions)	601,888	3,702,007
Mental Health Research (University of Melbourne)	14,000	190,000
Capital Grants (Other Institutions) .. .. .	..	624,166
	615,888	8,798,389
Balance 30th June, 1969	5,957	5,957

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's Superannuation 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* limited payments 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 such persons. Funds required to meet benefits payable were specially provided for the purpose from Consolidated Revenue.

The *Parliamentary Salaries and Superannuation Act 1968*, which came into operation on 1st December, 1968, established in the Treasury the Parliamentary Contributory Superannuation Fund and directed that the balance in the Parliamentary Contributory Retirement Fund at that date be transferred to the newly-established Fund. Also, the new legislation amended the *Constitution Act Amendment Act 1958* to provide for increases in the pensions payable to persons whose entitlement thereto was provided under that Act and authorized the payment of such pensions out of the new Fund.

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*. Benefits were 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 such persons. By virtue of the provisions of the *Parliamentary Salaries and Superannuation Act 1968*, effective from 1st December, 1968, the balance in the Fund at that date was transferred to the Parliamentary Contributory Superannuation Fund and, since that date, benefits payable to persons in the category referred to have been met from the new Fund.

Parliamentary Contributory Superannuation Fund.

As explained above, this Fund was established in the Treasury pursuant to the provisions of the *Parliamentary Salaries and Superannuation Act 1968*. Amending legislation, the *Parliamentary Salaries and Superannuation (Administration) Act 1969*, operative from 22nd April, 1969, subsequently took the Fund out of the Public Account and placed it with the State Superannuation Board of Victoria. Transactions of the Fund will be dealt with in my Supplementary Report.

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 1968-69, the additional contribution amounted to \$280,000.

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

	1967-68.	1968-69.
<i>Receipts.</i>		
	\$	\$
Deductions from pay	55,069	52,646
Contributions from Consolidated Revenue	380,000	380,000
Interest on Investments	709,448	685,044
Balance in hand—1st July	13,954,404	13,575,863
	15,098,921	14,693,553
<i>Disbursements.</i>		
Pensions	1,471,944	1,477,681
Gratuities	42,120	47,684
Deductions refunded—on resignation	8,994	16,608
State Superannuation Fund :—		
Act No. 7081, Section 9 .. .. .	..	211
	1,523,058	1,542,184
Balance, 30th June	13,575,863	13,151,369
Represented by :—		
Investments	13,540,500	13,115,500
Cash	35,363	35,869
	13,575,863	13,151,369

At 30th June, 1969, the investments of the Fund comprised Commonwealth Government Inscribed Stock, \$10,265,500, 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 \$13,115,500.

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.

Prior to 1967-68, contributions by the State, damages awarded to members of the Force and certain penalties were credited to the Fund, together with a statutory annual contribution of \$46,000 from the Licensing Fund. During 1967-68, 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 the Police Superannuation Fund are now, in terms of this amending legislation, credited to Consolidated Revenue. Further, the *Liquor Control Act* 1968, which came into operation on 1st July, 1968, and repealed the *Licensing Act* 1958, had the effect that annual contributions to the Police Superannuation Fund from the Licensing Fund, formerly provided for under the *Licensing Act* 1958, are no longer made. During the year under review, therefore, the sources of income to the Fund were substantially depleted, the only receipts being the State's contribution of \$4,000 and fines amounting to \$1,560. Under the *Police Regulation Act* 1958, Parliament may direct that, in addition to the statutory sum of \$4,000, a further amount may be applied to the liquidation of authorized pensions. No additional contribution was provided in 1968-69.

Pension payments from the Fund totalled \$17,559 which was \$3,823 less than the corresponding 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. Because the income of the Police Superannuation Fund, as reduced by the changes explained above, was not sufficient to meet the liability for current pensions, the requirement of the Pensions Supplementation Act was not met during 1968-69 and the balance at 30th June, 1968, \$32,854, was retained in the Fund. The Treasury has advised that steps are being taken to have the matter resolved by the introduction of amending legislation.

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, at intervals prescribed by the Governor in Council, 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 1967-68 and 1968-69 :—

—	1967-68.	1968-69.
	\$	\$
<i>Receipts.</i>		
Deductions from Earnings	71,392	66,052
Interest on Investments	59,768	69,397
Balance, 1st July	1,134,967	1,193,902
	1,266,127	1,329,351
<i>Payments.</i>		
Pensions	72,225	66,364
	72,225	66,364
Balance, 30th June	1,193,902	1,262,987
Represented by :—		
Investments	1,176,865	1,223,172
Cash	17,037	39,815
	1,193,902	1,262,987

Investments comprised inscribed stock of the Commonwealth Government, \$100,300, the State Electricity Commission, \$661,500, the Melbourne and Metropolitan Board of Works, \$176,600, the Melbourne Harbor Trust, \$40,000, the Grain Elevators Board, \$68,000, a Registered First Mortgage over the Pilot Vessel "Akuna", \$71,772, and Gas and Fuel Corporation debenture stock, \$105,000.

SUSPENSE.

The Trust Fund includes accounts which are in the nature of suspense accounts. Certain of these accounts are governed by 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	78
Public Works Stores Suspense Account	92
Railway Charges in Suspense Account	98
Railway Stores Suspense Account	98
Tourist Bureaux Trust Account	109
Water Supply Stores Suspense Account	104

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	58
Country Roads Board Special Works Account	63
Forest Equipment Hire Account	78
Forestry Fund	76
Lake Corangamite Improvement Account	106
Municipalities Forest Roads Improvement Fund	63
Rivers and Streams Fund	105
State Rivers and Water Supply Commission Agency Trust Account	105
Tourist Fund	107

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

Decentralization Fund.

The major portion of the year's expenditure of \$176,538 consisted of subsidies in respect of freight costs.

Credits to the Fund have been :—

	\$
To 30th June, 1968	3,900,995
During the year—	
From Consolidated Revenue	100,000
	<u>4,000,995</u>

The Fund has been utilized as follows :—

Expenditure to 30th June, 1968	3,824,453
During the year—	
Power and Light Subsidies	4,734
Freight Subsidies	166,171
Removal of Plant, Machinery, Furniture, &c.	1,885
Miscellaneous	3,748
	<u>4,000,991</u>
The balance at 30th June, 1969, was	4
	<u>4,000,995</u>

Amounts advanced from the Decentralization Fund and still to be repaid at 30th June, 1969, are shown hereunder :—

—	Advanced to 30th June, 1969.	Repaid.	Outstanding 30th June, 1969.	Arrears.	
				Interest.	Principal.
	\$	\$	\$	\$	\$
Brickworks	34,098	7,623	26,475	13,803	24,870
Textile Industries	84,000	59,917	24,083	..	..
Foundries and Other Industries	103,143	37,747	65,396	26,939	43,397
	*221,241	105,287	115,954	40,742	68,267

* 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 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 :—

	1967-68.		1968-69.	
	\$	\$	\$	\$
Balance 1st July	1,203,124	1,229,814	
Receipts—				
Additional Registration Fees	851,340	924,282	
		2,054,464	2,154,096	
Expenditure—				
By Railway Department	699,154	866,932	
By Country Roads Board	125,496	676,554	
		824,650	1,543,486	
Balance 30th June	1,229,814	610,610	

Municipalities Assistance Fund.

Reference is made under the Local Government section of this Report to subsidies of \$1,011,021 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 which provides that to the credit of the Fund there shall be paid one-quarter of all motor drivers' licence fees and one-half of all driving instructors' licence fees paid under the *Motor Car Act* 1958 less cost of collection in each case.

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.

During the year, an amount of \$750,000 was contributed to the Fund from Loan Fund.

Following is a summary of operations in the Fund :—

	1967-68.		1968-69.	
	\$	\$	\$	\$
Balance, 1st July .. .. .	..	282,766	..	96,909
Contribution—Loan Fund .. .. .	..	550,000	..	750,000
Receipts from Fees—Motor Car Drivers' and Instructors' Licences	694,994	..	809,063	..
Less Costs of Collection	58,834	..	76,807	..
		<u>636,160</u>	<u>732,256</u>	
		1,468,926	1,579,165	
Expenditure—				
Contribution to Country Fire Authority ..	..	953,338	..	1,037,630
Contribution to Casual Fire Fighters Compensation Fund .. .. .	..	1,294	..	1,101
Subsidies to Municipalities for Works ..	..	417,385	..	356,806
		<u>1,372,017</u>	..	1,395,537
Balance, 30th June .. .. .	..	96,909	..	183,628
		<u>1,468,926</u>	<u>1,579,165</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, 1969, is given hereunder :—

	\$	\$
Balance, 1st July, 1968 .. .. .	..	40,137
Receipts—		
From Consolidated Revenue	97,500	
Loan Fund	219,183	
Rentals, other contributions, &c.	60,256	
	<u>376,939</u>	
		417,076
Payments—		
Grants to Committees of Management of National Parks and Advances for Works to the Public Works Department and Forests Commission, &c.	314,538	
Administration Costs	100,938	
	<u>415,476</u>	
Balance, 30th June, 1969 .. .. .	..	1,600

In addition to the balance of \$1,600 at credit of the Fund, unexpended advances to the Public Works Department and the Forests Commission for works amounted to \$39,793 as at 30th June, 1969.

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 of the Fund for the years 1967-68 and 1968-69 are set out below :—

	1967-68.		1968-69.	
	\$	\$	\$	\$
Balance, 1st July	5,895,840		6,089,804	
Receipts—				
Registration Fees	9,943,999		13,978,860	
	<u> </u>	15,839,839	<u> </u>	20,068,664
Expenditure—				
By Country Roads Board	2,652,122		3,054,544	
By Melbourne and Metropolitan Board of Works	7,097,913		9,386,631	
	<u> </u>	9,750,035	<u> </u>	12,441,175
Balance, 30th June		<u>6,089,804</u>		<u>7,627,489</u>

A statement of expenditure by the Country Roads Board on specific projects is given in Part VI. 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 1967 and 1968.

1967.	1968.	
	\$	\$
	Income—	
42,751	Contributions	35,710
2,282	Other	3,165
<u>45,033</u>		<u>38,875</u>
	Expenditure—	
4,393	Allowances, Board Members	4,317
10,078	Salaries, Office Staff	9,874
15,016	Inspection and Grading	15,331
8,488	General Expenses	9,527
<u>37,975</u>		<u>39,049</u>
7,058	Surplus for Year .. .. .	..
..	Deficit for Year	174

At 30th June, 1969, the balance at credit of the Fund in the Treasury amounted to \$79,322 and comprised cash \$2,322 and investments \$77,000.

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, 1969, the balance at credit of the Account was \$221,785.

Milk Board Fund.

The Board's operations in 1968-69 resulted in a revenue surplus of \$137,651, an increase of \$10,078 on the comparable figure for 1967-68.

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 1968-69 are subject to audit.

1967-68. \$							1968-69. \$	\$
	<i>Revenue.</i>							
566,567	Milk Trading Revenue	..	..	..	..	..	613,966	
29,438	Milk Shop Licence Fees	..	..	..	..	..	30,268	
8,000	Rentals	..	..	..	..	..	8,000	
<u>604,005</u>								<u>652,234</u>
	<i>Expenditure.</i>							
160,645	Salaries	..	..	..	..	..	168,903	
3,986	Pay-roll Tax	..	..	..	..	..	4,078	
2,514	Rental of Premises	..	..	..	..	..	2,304	
15,607	Travelling Expenses	..	..	..	..	..	15,513	
19,809	General Expenses	..	..	..	..	..	18,627	
258,464	Publicity Account—Appropriation	..	..	..	..	..	291,494	
6,000	Improving Quality of Milk—Paid to Department of Agriculture	..	..	..	..	..	6,000	
5,310	Building Maintenance	..	..	..	..	..	5,197	
1,734	Interest	..	..	..	..	..	643	
2,363	Depreciation	..	..	..	..	..	1,824	
<u>476,432</u>								<u>514,583</u>
127,573	Surplus for the Year	..	..	..	..	..		<u>137,651</u>

The item—Publicity Account—Appropriation, \$291,494—is the provision from revenue to meet publicity costs incurred in promoting the consumption of milk. This appropriation, together with the sum of \$36 contributed by licensed milk carriers, was credited to the Publicity Account. Expenditure for publicity purposes charged to the Account in the year amounted to \$230,764.

The Board's balances as at 30th June, 1968, and 30th June, 1969, were :—

30.6.68. \$							30.6.69. \$	\$
2,856,857	Sundry Creditors—Trade	..	..	..	..	..	2,927,902	
33,010	Sundry Creditors—Other	..	..	..	..	..	39,429	
12,893	Milk Shop Licences Paid in Advance (Net)	..	..	..	..	..	14,120	
<u>2,902,760</u>								<u>2,981,451</u>
	Accumulated Funds—							
	Accumulation Fund—							
1,216,087	Balance Brought Forward	..	..	..	..	..	1,343,660	
127,573	Revenue Surplus for the Year	..	..	..	..	..	137,651	
<u>1,343,660</u>							1,481,311	
208,937	Publicity Account	..	..	..	..	..	269,702	
<u>1,552,597</u>								<u>1,751,013</u>
<u>4,455,357</u>								<u>4,732,464</u>
1,233,517	Milk Board Fund—Balance at Treasury	..	..	..	..	..	..	1,332,492
2,940,409	Sundry Debtors—Trade	..	..	..	..	..	2,976,966	
1,315	Sundry Debtors—Publicity Account	..	..	..	..	..	..	2,976,966
9,388	Office Equipment, Furniture, and Fittings <i>less</i> Depreciation	..	..	..	..	..	..	8,604
9,549	Motor Vehicles <i>less</i> Depreciation	..	..	..	..	..	..	12,535
219,537	Land and Buildings at Cost	..	..	..	..	..	..	337,226
38,527	Publicity Plant and Equipment <i>less</i> Depreciation	..	..	..	..	..	..	63,545
3,115	Publishing Stocks on Hand	..	..	..	..	..	..	1,096
<u>4,455,357</u>								<u>4,732,464</u>

Trade debtors and creditors, for the most part, resulted from trading operations for the month of June, 1969.

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

<i>Account</i>	Page Reference No.
The Licensing Fund	16
Race-courses Development Fund	13
Totalizator Agency Board Trust Account	13
Traffic Commission Fund	62
Transport Regulation Fund	110

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*, \$15,259,778, and to a Geelong Harbor Trust debenture securing the outstanding balance of an advance, \$95,577.

PART VI.—DEPARTMENTS, BRANCHES AND AUTHORITIES.

ABORIGINAL AFFAIRS.

The *Aboriginal Affairs Act 1967* established the Ministry of Aboriginal Affairs for the purpose of promoting the social and economic advancement of aborigines. Moneys appropriated by Parliament for the purposes of the Act and all other moneys received by the Ministry are paid into the Aboriginal Affairs Fund. The Minister is authorized to apportion, distribute, apply or lend any money in the Fund for the purposes of the Act.

Transactions during 1968–69 in relation to this Fund were :—

	\$	\$
Balance 1st July, 1968		2,558
Receipts—		
Loan Fund Contribution	340,000	
Consolidated Revenue Contribution	320,000	
Commonwealth Grants—Education	40,000	
—Health	4,000	
Revenue from Operations (Cattle Sales, &c.)	27,533	
Rent	13,904	
Donations	5,074	
Miscellaneous	4,007	
	754,518	
		757,076
Payments—		
Assistance to Aborigines	523,017	
Administration, &c., Costs	228,069	
	751,086	
Balance 30th June, 1969		5,990
		757,076

ABORIGINAL HOUSING (COMMONWEALTH) TRUST ACCOUNT.

During 1968–69, the Commonwealth Government agreed to assist the States' efforts to help aborigines in the fields of housing, education and health. Accordingly, grants totalling \$225,000 were paid to this State of which \$175,000 was allocated for housing and the balance of \$50,000 for education and health. Conditions attaching to the housing grants require that they be paid into a special account. In Victoria, the Aboriginal Housing (Commonwealth) Trust Account has been established in the Treasury for this purpose. Rents received from dwellings acquired with the assistance of moneys in the Account, less 20 per cent. thereof as a contribution towards administration and maintenance, and the proceeds of sales of any such dwellings are also required to be paid into the Account. Moneys in the Account are available to meet the cost of purchase of residential land for aboriginal housing and the purchase or construction of dwellings and hostel accommodation.

Amounts paid into the Account during the year totalled \$181,000 representing the housing allocation of \$175,000 and, with the concurrence of the Commonwealth, \$6,000 of the health allocation on account of facilities for health services which have been constructed as part of the hostel project at Morwell. Expenditure for the year, on the erection of the hostel at Morwell and the purchase and construction of dwellings, amounted to \$129,122. At 30th June, 1969, the balance in the Account was \$51,878.

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 \$8,632,700, against which there were departmental receipts of \$1,183,486, resulting in a net cost to revenue of \$7,449,214, compared with \$6,409,321 for the previous year. Details of expenditure and receipts for the two years are:—

Vote—	<i>Expenditure.</i>	1967-68. \$	1968-69. \$
Department of Agriculture		7,307,420*	8,447,183
Treasurer—Workers Compensation Insurance		29,373	51,058
Treasurer—Pay-roll Tax		145,402	154,549
Public Works—Maintenance and Rent of Buildings		58,903	52,011
Special Appropriations		112,842	100,000
		7,653,940	8,804,801
<i>Less</i> Business Undertaking—Victoria Dock Cool Stores		170,955	172,101
		7,482,985	8,632,700
	<i>Receipts.</i>		
Departmental		1,296,139	1,399,686
<i>Less</i> Victoria Dock Cool Stores		332,439	344,218
		963,700	1,055,468
Licences—Dairies, Dairy Farms, Dairy Produce Factories, &c.		109,964	128,018
		1,073,664	1,183,486
Net outgoing (excluding interest, sinking fund, and Government contribution to superannuation)		6,409,321	7,449,214

* Does not include the sum of \$336,044 expended on agricultural education in 1967-68 under authority of the Education Vote for colleges of advanced education.

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 \$1,115,191.

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 "D" to this Report.

The receipts shown in Appendix "D", amounting to \$658,319, were credited to Consolidated Revenue. Payments amounting to \$3,389,630 were made from Consolidated Revenue and Loan Fund on account of general maintenance and capital items.

The capital items were :—

	\$	\$
Buildings—		
Agricultural College, Dookie	97,107	
Agricultural College, Longerenong	11,039	
Gilbert Chandler Institute of Dairy Technology, Werribee	33,090	
Dairy Research Station, Ellinbank	25,417	
Research Station, Scoresby	50,621	
Research Station, Rutherglen	91,614	
Research Farm, Werribee	11,707	
Veterinary Research Institute, "Attwood", Broadmeadows	272,495	
Vegetable Research Station, Frankston	12,689	
Other locations	23,890	
	<hr/>	629,669
Plant and Equipment—		
Agricultural College, Dookie	14,235	
Agricultural College, Longerenong	12,311	
Gilbert Chandler Institute of Dairy Technology, Werribee	40,163	
Research Station, Mildura	16,060	
Research Station, Tatura	10,261	
Research Station, Rutherglen	11,339	
Pastoral Research Station, Hamilton	17,921	
Other locations	86,276	
	<hr/>	208,566
Water Reticulation—		
Agricultural College, Longerenong	5,041	
Potato Research Station, Healesville	3,608	
Pastoral Research Station, Hamilton	9,451	
Vegetable Research Station, Frankston	3,656	
Other locations	11,221	
	<hr/>	32,977
Other Permanent Improvements—		
Dairy Research Station, Ellinbank	15,918	
Pastoral Research Station, Hamilton	13,743	
Other locations	20,222	
	<hr/>	49,883
Properties .. .. .	..	576
Electrical Installations .. .. .	..	2,404
Furniture .. .. .	..	24,941
Fencing .. .. .	..	21,561
Roads .. .. .	..	4,240
	<hr/>	974,817

Victoria Dock Cool Stores.

Operations during the year ended 30th June, 1969, resulted in a loss of \$45,867. In the comparative statement hereunder, which summarizes transactions during each of the last three years, and in the abridged balance sheet, the 1968-69 figures are subject to audit.

—	1966-67.		1967-68.		1968-69.	
	\$	\$	\$	\$	\$	\$
Revenue.						
Storage and Shipping Charges, &c. ..	514,813		220,584		171,313	
Rental	14,172		53,689		187,537	
	<hr/>	528,985	<hr/>	274,273	<hr/>	358,850
Expenditure.						
Salaries and Wages, &c.	169,150		133,582		133,864	
Pay-roll Tax	4,257		3,323		3,233	
Rent of Site	5,416		5,416		2,708	
Agency and Commission	20,645		19,886		17,007	
Maintenance	25,582		27,067		19,344	
Electrical Energy	42,044		29,771		41,530	
Other Charges (net)	7,183		4,657		8,371	
Depreciation	52,749		56,810		63,495	
Interest on Capital	93,411		102,792		115,165	
	<hr/>	420,437	<hr/>	383,304	<hr/>	404,717
Result for year	Profit	108,548	Loss	109,031	Loss	45,867

During the year, capital provided by the State was increased by \$72,512. This amount was provided from Loan Fund 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.

30.6.68.		30.6.69.
\$		\$
2,303,304	Capital provided by State	2,375,816
149,392	Contribution by Commonwealth, &c.	149,392
15,956	Sundry Creditors	7,743
5,921	Reserve	5,921
11,791	Provision for Accrued Agency Commission	16,932
..	Accrued Expenses	7,155
		\$
	Profit forward	1,108,178
	Less Net Operating Loss	45,867
1,108,178		1,062,311
<u>3,594,542</u>		<u>3,625,270</u>
	Fixed Assets at cost less depreciation :—	
1,483,650	Buildings	1,475,046
317,308	Machinery, Plant, &c.	335,376
25,265	Roads and Railway Sidings	24,819
<u>1,826,223</u>		<u>1,835,241</u>
6,834	Stores on hand	6,489
144,972	Sundry Debtors	159,143
..	Prepaid Expenses	192
1,616,513	Excess of payments to Consolidated Revenue over working and other expenses provided therefrom	1,624,205
<u>3,594,542</u>		<u>3,625,270</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 \$24,794,332. 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 :—

	1967-68.	1968-69.
	\$	\$
<i>Expenditure—</i>		
Salaries and Allowances	21,692,547	22,725,593
Overtime and Penalty Rates	304,113	285,413
Payments in lieu of Long Service Leave	217,795	282,992
Payroll Tax	524,912	588,454
Travelling and Subsistence	538,190	610,659
Office Requisites and Equipment, Printing, &c.	203,996	235,995
Postal and Telephone Expenses	496,989	540,815
Motor Vehicles, Purchase and Running Expenses	790,080	984,796
Fuel, Light, Power and Water	230,490	245,496
Maintenance and Rent of Buildings	41,905	34,716
Police Service Board	8,825	7,739
Workers Compensation Insurance	150,334	296,563
Pensions and Superannuation	685,894	777,364
Other Expenditure	499,187	533,771
	<u>26,385,257</u>	<u>28,150,366</u>
<i>Revenue*—</i>		
Police Services	1,348,601	1,349,706
Firearms and other Licences	11,816	10,469
Recoup of administrative expenses—Motor Registration Branch	1,830,008	1,995,859
	<u>3,190,425</u>	<u>3,356,034</u>
<i>Net Cost to Revenue</i>	<u>23,194,832</u>	<u>24,794,332</u>
Expenditure on Police Buildings and Residences financed from Loan Fund	807,888	1,595,364

* Recoups from the Licensing Fund have been included in "Police Services" for 1967-68 and 1968-69, and other minor variations of revenue classifications have been made.

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 :—

1967-68.		1968-69.
\$		\$
42,657,431	Fees under the Motor Car Act	49,366,226
27,110,012*	Third Party Insurance Premiums	33,113,610*
5,436,085	Stamp Duty	5,975,582
75,203,528		88,455,418

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

\$	<i>Country Roads Board Fund—</i>		\$	\$
27,377,303	Motor Fees and Examiners' Licences		29,373,676	
694,994	Drivers' Licence Fees (one-quarter)		809,063	
1,702,683	Additional Registration Fees (two-thirds)		1,848,566	
29,774,980			32,031,305	
	<i>Level Crossings Fund—</i>			
851,340	Additional Registration Fees (one-third)			924,282
	<i>Municipalities Assistance Fund—</i>			
694,994	Drivers' Licence Fees (one-quarter)			809,063
	<i>Transport Regulation Fund—</i>			
11,666	Omnibus Registration Fees			10,184
	<i>Roads (Special Projects) Fund—</i>			
9,943,999	Increase in Registration Fees			13,978,860
	<i>Hospitals and Charities Fund—</i>			
1,433,474	Contributions—Third Party Insurance Premiums			1,542,629
	<i>Consolidated Revenue—</i>			
1,380,452	Drivers' Licence Fees (one-half)		1,612,532	
2,036,092	Insurance Surcharges		2,189,224	
5,436,085	Stamp Duty		5,975,582	
			9,777,338	
	<i>Approved Third Party Insurers—</i>			
23,640,446	Net Premiums collected on their behalf			29,381,757
75,203,528				88,455,418

*Excludes collections by authorized insurers.

Fees under the Motor Car Act.—Fees collected by the Branch under the Motor Car Act increased by \$6,708,795. The higher collections from this source were due, mainly, to :—

- (i) the greater number of motor vehicles registered—1,296,806 compared with 1,221,764 in 1967-68 ; and
- (ii) the full effect of the higher registration fees for cars and trailers operative from 1st March, 1968.

Third Party Insurance.—An increase of \$6,003,598 in the total premiums collected on behalf of authorized insurers was indicative of the greater volume of transactions handled by the Branch in 1968-69 and the general increase in insurance rates.

The *Motor Car (Hospitals and Charities Contributions) Act 1966* provided that the sum of \$1.40 or such greater amount as is prescribed by the Governor in Council, not exceeding five per cent. of the total premium paid, 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 1968-69 was \$1,542,629.

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.	1966-67.		1967-68.		1968-69.	
<i>Expenditure.</i>	\$	\$	\$	\$	\$	\$
Administration and Research and Statistics	317,312		373,300		389,079	
Family Welfare	3,367,532		3,751,401		4,237,158	
Youth Welfare	1,625,970		1,789,284		1,953,816	
Prisons	2,910,651		3,218,809		3,541,130	
Training	98,278		117,149		125,331	
Probation and Parole	288,479		313,916		359,655	
	<u>8,608,222</u>		<u>9,563,859</u>		<u>10,606,169</u>	
 <i>Revenue.</i> 						
Prisons	278,381		410,999		335,078	
Other Divisions	245,589		191,309		162,364	
	<u>523,970</u>		<u>602,308</u>		<u>497,442</u>	
<i>Net Cost to Consolidated Revenue</i> ..	<u>8,084,252</u>		<u>8,961,551</u>		<u>10,108,727</u>	
<i>Loan Expenditure</i>	1,548,874		1,704,289		1,495,345	

The prime reasons for expenditure of the Family Welfare Division exceeding that of 1967-68 by \$485,757 were an increase of \$107,011 in salary costs and additional expenditure of \$280,885 on account of payments to assisted mothers, children in necessitous circumstances and subsidies in connexion with State wards. The higher expenditure in connexion with assisted mothers, &c. was caused by an increase in rates of payment from October, 1968, the operation for a full year of increases granted in October, 1967 and an increase in the number of children assisted.

In the Youth Welfare Division, an increase of \$96,036 in salaries was the most significant component of the rise of \$164,532 in expenditure in 1968-69.

Expenditure for the Prisons Division exceeded that for the previous year by \$322,321. Increases in salaries, overtime, and penalty rates payments 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 \$1,918,403. This profit has yet to be appropriated, as at 30th June, 1969, 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.

—	1966-67.	1967-68.	1968-69.
Income—	\$	\$	\$
Premiums Earned	8,703,741	9,625,952	9,934,162
Interest	536,049	596,439	653,048
Rents (Net)	149,719	220,384	226,544
	9,389,509	10,442,775	10,813,754
Expenditure—			
Claims	5,679,507	7,079,366	8,203,580
Management	466,149	481,602	497,999
Agents' Commission	185,040	190,789	193,025
Loss—Sale of Property	2,205	1,058	747
	6,332,901	7,752,815	8,895,351
Net Profit	3,056,608	2,689,960	1,918,403
	%	%	%
Loss ratio to earned premium income	65.3	73.5	82.6

APPROPRIATION ACCOUNT.

—	1966-67.	1967-68.	1968-69.
Net Profit	\$	\$	\$
Net Profit	3,056,608	2,689,960	1,918,403
Surplus on Sale of Offices—412 Collins-street, Melbourne	169,068	..	..
Provision for depreciation written back	47,846	..	..
	3,273,522	2,689,960	1,918,403
Transfer to General Reserve (<i>vide</i> Act No. 7449) ..	169,068	..	..
Appropriations—			
Bonus Equalization Reserve	1,273,522	889,960	Yet to
General Reserve	630,932	500,000	be
Consolidated Revenue	1,200,000	1,300,000	determined
	3,273,522	2,689,960	1,918,403

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 "time" basis related to the period of cover.

The introduction of a revised scale of premium rates, operative as from 1st June, 1969, had little effect on the results for the year under review.

A reduction of \$771,557 in the net profit for the year under review compared with the year 1967-68 was due mainly to an increase in incurred claims, which was partly absorbed by a rise in premiums earned. The respective amounts shown as incurred claims for the past three financial years were determined as follows :—

	1966-67.	1967-68.	1968-69.
	\$	\$	\$
Claims paid during the year	5,711,106	5,924,701	7,076,044
Add Claims unpaid as at close of year	12,319,073	13,473,738	14,601,274
	<u>18,030,179</u>	<u>19,398,439</u>	<u>21,677,318</u>
Less Claims unpaid brought forward from previous year ..	12,350,672	12,319,073	13,473,738
	<u>5,679,507</u>	<u>7,079,366</u>	<u>8,203,580</u>

The increase in the amount of incurred claims for the year 1968-69 would have been greater had there not been a change of policy as at 30th June, 1969, compared with the previous year, in relation to the assessment of liability which could arise in respect of claims relating to a particular category of heart case in all sectors of employment.

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

30.6.68.		Assets.	30.6.69.
\$			\$
	Current—		
16,694,568	Cash		17,000,556
697,256	Sundry Debtors, less Bad Debts Provision		956,709
			<u>17,957,265</u>
5,571,760	Inscribed Stock and Debentures		6,071,740
338,917	Balance due <i>re</i> sale of Property—412 Collins-street, Melbourne		314,708
	Fixed—		
203,379	Furniture, Office Machines, and Cars—less Depreciation		181,555
2,882,596	Property (at cost)—Offices—480-490 Collins-street, Melbourne		2,933,328
			<u>3,114,883</u>
<u>26,388,476</u>			<u>27,458,596</u>
		<i>Liabilities and Funds.</i>	
	Current—		
1,948,644	Unearned Premiums		1,925,296
13,473,738	Claims Outstanding		14,601,274
54,362	Sundry Creditors		56,485
1,300,000	Provision for Contribution to Consolidated Revenue .. .. .		..
36,390	Provision for Reinsurance Premiums.. .. .		96,531
			<u>16,679,586</u>
	Deferred—		
2,122,678	Bonus Equalization Reserve		1,344,117
122,664	Building Depreciation and Maintenance Provision		186,490
			<u>1,530,607</u>
	Funds—		
7,300,000	General Reserve		7,300,000
30,000	Building Improvement Reserve		30,000
..	Appropriation Account		1,918,403*
			<u>9,248,403</u>
<u>26,388,476</u>			<u>27,458,596</u>

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

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

State Motor Car Insurance Office.

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, 1969, the Office has incurred an accumulated loss of \$4,051,583.

Operations for the year resulted in an over-all profit of \$640,505 compared with a loss of \$2,041,598 in 1967-68.

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

	1967-68.			1968-69.		
	Third-Party.	Comprehensive.	Total.	Third-Party.	Comprehensive.	Total.
	\$	\$	\$	\$	\$	\$
Net Premiums earned	9,871,537	4,164,026	14,035,563	11,790,737	4,616,419	16,407,156
Stamp Duty recouped .. ..	..	218,332	218,332	..	239,405	239,405
	<u>9,871,537</u>	<u>4,382,358</u>	<u>14,253,895</u>	<u>11,790,737</u>	<u>4,855,824</u>	<u>16,646,561</u>
Claims	12,566,879	3,177,926	15,744,805	12,053,010	3,670,954	15,723,964
Management	325,068	811,167	1,136,235	376,136	864,420	1,240,556
Licence Fee .. ..	..	218,487	218,487	..	239,658	239,658
	<u>12,891,947</u>	<u>4,207,580</u>	<u>17,099,527</u>	<u>12,429,146</u>	<u>4,775,032</u>	<u>17,204,178</u>
Operating Profit .. ..	..	174,778	174,778	..	80,792	80,792
Operating Loss	3,020,410	..	3,020,410	638,409	..	638,409
Net Operating Loss .. ..	..	..	2,845,632	..	..	557,617
Interest—Fund at Treasury .. ..	..	..	804,106	..	..	1,198,122
Sale of Property .. ..	..	(Loss)	72	..	..	..
Net Profit or Loss .. ..	..	(Loss)	<u>2,041,598</u>	..	(Profit)	<u>640,505</u>
Loss ratio to earned premium income—			%			%
Third-party .. ..	..	..	127·3	..	..	102·2
Comprehensive .. ..	..	..	76·3	..	..	79·5

Premium rates for Third Party Insurance were increased from 1st July, 1968, and those for Comprehensive Insurance from 1st February, 1969. Earned premiums have been calculated on the "time" basis, using the monthly method of apportionment.

The improved result for 1968-69 was due largely to a substantial reduction, compared with 1967-68, in the net operating loss on account of Third Party Insurance. This is attributable mainly to an increase in earned premium income together with a decrease in the cost of incurred claims.

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

30.6.68.	<i>Assets.</i>								30.6.69.
\$									\$
	Current—								
12,148,608	Cash	..	..	..	..	..	..	..	9,810,732
1,838,377	Sundry Debtors—Premiums Due, &c.	..	..	..	..	..	..	..	2,352,678
8,570	Trust Account	..	..	..	..	..	..	..	21,116
<u>13,995,555</u>									<u>12,184,526</u>
	Investments—								
14,869,752	Government and Semi-Government Securities	..	..	..	..	..	..	..	22,243,923
	Fixed—								
46,192	Furniture and Office Machines less Depreciation	..	..	..	..	..	..	..	42,106
	Profit and Loss Account—								
4,692,088	Accumulated Loss	..	..	..	..	..	..	..	4,051,583
<u>33,603,587</u>									<u>38,522,138</u>
	<i>Liabilities and Provisions.</i>								
	Current—								
7,284,401	Unearned Premiums	..	..	..	..	..	..	..	8,756,862
25,735,411	Claims Outstanding	..	..	..	..	..	..	..	29,032,222
182,885	Sundry Creditors	..	..	..	..	..	..	..	58,217
400,890	Provision for Reinsurance Premiums	..	..	..	..	..	..	..	674,837
<u>33,603,587</u>									<u>38,522,138</u>

In respect of Third Party Insurance, the estimated liability for outstanding claims as at 30th June, 1969, has been calculated on an actuarial basis using statistical data relating to claims paid in recent years. To the sum so determined there have been added amounts to make provision for claims on account of the "Nominal Defendant" and for unreported claims. Outstanding claims on account of Comprehensive Insurance have been assessed on the basis of the average cost of paid claims with provision 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 Approved Insurers, the Victorian Railways Commissioners and employers who operate certified schemes of compensation. All such 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 1968-69 are submitted subject to audit. Particulars of Income and Expenditure of the Fund for the years 1967-68 and 1968-69 are as follows :—

	1967-68.	1968-69.
	\$	\$
<i>Income—</i>		
Contributions from Insurers and others	241,761	216,835
<i>Expenditure—</i>		
Salaries, including pay in lieu of long service leave ..	91,422	104,358
Rent	63,289	63,289
General	24,873	28,793
Claims on uninsured employers paid from the Fund (net) ..	19,398	10,721
	198,982	207,161
Excess of Income over Expenditure	42,779	9,674

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.

Receipts and Payments of the Common Fund for the years 1967-68 and 1968-69 are summarized below :—

	1967-68.	1968-69.
	\$	\$
Receipts	5,510,876	6,063,629
Payments	3,346,611	3,662,259
Excess of receipts over payments	2,164,265	2,401,370
Balance at beginning of year	13,443,003	15,607,268
Balance at close of year	15,607,268	18,008,638

Investments, &c., controlled by the Board at 30th June, 1969, are shown hereunder :—

	\$
<i>Common Fund—</i>	
Cash, State Savings Bank of Victoria	1,008,460
Shepparton Sewerage Authority Debentures	200,000
State Electricity Commission Debentures	8,500,000
Melbourne and Metropolitan Board of Works Debentures	6,450,000
Geelong Waterworks and Sewerage Trust Debentures	1,050,000
Frankston Sewerage Authority Debentures	300,000
Chelsea Sewerage Authority Debentures	300,000
Mornington Sewerage Authority Debentures	100,000
Orbost Waterworks Trust Debentures	100,000
Temporary Advances	178
	18,008,638
<i>Specific Investments—</i>	
Geelong Waterworks and Sewerage Trust Debentures	4,000

Other Branches.

The net costs of the remaining sub-departments and branches of the Chief Secretary's Department for 1968-69 compared with the previous year are as set out below :—

	1968-69.			1967-68.
	Expenditure.	Revenue.	Net Cost.	Net Cost.
	\$	\$	\$	\$
State Library, &c.	2,496,855	5,052	2,491,803	2,347,159
National Gallery	651,645	..	651,645	231,477
Government Statist	496,087	243,893	252,194	203,692
Fisheries and Wildlife	829,361	265,618	563,743	516,053
Immigration	113,392	402	112,990	113,766
Other Branches	566,965	68,318	498,647	433,487
Administrative	391,263	72,738	318,525	324,744
	5,545,568	656,021	4,889,547	4,170,378

Expenditure from loan funds during 1968-69 related to :—

	\$
Contribution to National Art Gallery and Cultural Centre Trust Fund ..	2,046,000
State Library, La Trobe Library, National Gallery, National Museum and Institute of Applied Science.. .. .	96,588
Country Art Galleries	72,072
Fisheries and Wildlife	810,651

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 1968-69 were :—

- (i) *Fees under the Motor Car Act.*—Receipts for the year under this Act amounted to \$32,300,257 and the costs of collection were shown to be \$3,411,662. The comparable figures in 1967-68 were, respectively, \$30,029,171 and \$3,223,835.

The increase in collections, \$2,271,086, was due, mainly, to :—

- (a) the greater number of motor vehicles registered in Victoria—1,296,806 compared with 1,221,764 in 1967-68 ; and
 (b) the full effect of the higher registration fees for cars and trailers operative from 1st March, 1968.

Costs of collecting fees under the Motor Car Act increased by \$187,827 during 1968-69. This was due mainly to :—

- (a) higher repayments by the Board towards the cost of erecting the new Motor Registration Branch building at Carlton—\$122,571. 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—\$141,916 ;
 (c) expenses incurred in the construction of the new Motor Registration Branch Licence Testing Centre at Carlton—\$53,912 ; and
 (d) a net reduction of \$130,572 in sundry administrative costs.

In addition to the costs of collection under the Motor Car Act shown above, \$3,411,662, 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 \$434,855 compared with \$403,939 in 1967-68.

- (ii) *Special Contribution from Loan Fund.*—Item 68 of the *Public Works Loan Application Act 1968* 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 \$783,000 was allocated to the Country Roads Board Fund from the Loan Fund for the general purposes of the Board.

An additional \$2,500 was provided towards the cost of road lighting, Albert Park. Of this amount, \$1,850 has been expended to 30th June, with the balance, \$650, remaining in the Country Roads Board Fund.

Debt charges in respect of these contributions 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 \$7,841,757. The amount credited to the Fund in 1967-68 was \$7,247,589—an increase of \$594,168 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 1968–69 provided from Loan Fund the sum of \$3,389,000 for the purpose of permanent works as defined in that Act. This sum was allocated as follows :—

	\$
For permanent works on Main Roads	224,234
Against Board's expenditure on certain permanent works on State Highways ..	164,766
By-Pass Roads—Lower Yarra Crossing	3,000,000
	3,389,000

Commonwealth Aid Roads 1964 Accounts.

By direction of the *Commonwealth Aid Roads Act 1964* and subject to the conditions therein, the Commonwealth was 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 \$140,000,000 for 1968–69 was \$27,269,554 and it received by way of additional assistance the maximum grant of \$5,843,476.

Eligibility for receipt of the additional assistance grant was based on the amount by which expenditure by the State on road construction from its own resources exceeded 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 \$33,113,030 received by Victoria in 1968–69, \$32,723,465 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 \$13,245,212, 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, \$389,565, 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 1968–69, a maximum of \$3,799,000 for the purposes of fourteen projects approved by the Governor in Council.

Details are :—

Project No.	Project.	Expenditure Authorized 1968–69.	Expenditure 1968–69.	Total Expenditure.
		\$	\$	\$
2	Hume Highway (Craigieburn to Wallan)	360,000	315,002	1,760,305
5	Western Highway (Westerly from Deer Park)	310,000	217,024	1,473,461
6	Princes Highway East (Easterly from Doveton)	200,000	210,156†	840,623
7	Western Highway (Pykes Creek)	190,000	212,935†	1,210,544
8	Hume Highway (Tallarook)	725,000	383,951	599,764
9	Princes Highway East (Moe By-Pass Road)	260,000	299,985†	1,452,572
11	Maroondah Highway (From Stirling-road to Brushy Creek)	750,000	698,214	989,014
12	Taylor Bay (Tourists' Road)	5,000	8,675†	311,797
13	Nepean Highway (Extension of duplication beyond Old Mornington-road)	93,000	125,046†	831,224*
14	Marlo-Cape Conran Road (Tourists' Road)	51,000	50,040	222,290
15	Jamieson-Licola Road (Construction of link-road—road clearing only)	240,000	219,982	355,755
27	Mulgrave By-Pass (Stud-road to Eumemmerring By-Pass)	250,000	136,581	136,581
28	Eumemmerring By-Pass (Princes Highway East to Mulgrave By-Pass)	90,000	1,694	1,694
29	Mornington Peninsula By-Pass (Nepean Highway to Eastbourne-road)	275,000	175,259	175,259
		3,799,000	3,054,544	10,360,883

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

† Authority to vary expenditure approvals between the various projects is being sought from the Treasurer.

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.

1967-68.					1968-69.	
\$	<i>Principal Funds Available.</i>				\$	\$
	<i>Country Roads Board Fund—</i>					
2,299,799	Balance from previous year	..	..	..	1,369,276	
26,401,398	Net Taxes	..	..	..	28,453,740	
1,845,338	Municipal Contributions	..	..	..	1,931,449	
7,247,589	Road Charges—Commercial Goods Vehicles Act	..	..	..	7,841,757	
380,118	General Receipts	..	..	..	519,513	
700,000	Special Contribution—Public Works Loan Application Act	..	..	..	785,500	
					40,901,235	
38,874,242						
	<i>Loan Fund—</i>					
987,000	Act No. 6229—State Highways and Main Roads	..	..	..	3,389,000	
	<i>Commonwealth Aid Roads 1964 Accounts—</i>					
18,380,640	For Roadworks Generally	..	..	..	19,478,253	
12,514,479	For Rural Roads	..	..	..	13,245,212	
					32,723,465	
30,895,119						
	<i>Roads (Special Projects) Fund—</i>					
3,145,000	Expenditure authorized by the Treasurer	..	..	..	3,799,000	
					80,812,700	
73,901,361						
	<i>Expenditure.</i>					
60,995,731	Construction and Maintenance of Roads, &c.	..	..	..	64,690,515	
2,016,439	Payment of Interest (including exchange)	..	..	..	2,127,910	
97,219	Sinking Fund Contributions and Loan Conversion Expenses	..	..	..	100,303	
76,120	Repayment to Loan Fund	..	..	..	77,829	
517,430	Transfer to Tourist Fund	..	..	..	536,107	
29,779	Transfer to Traffic Commission Fund	..	..	..	270,671	
167,186	Contribution—Australian Road Research Board	..	..	..	175,304	
8,139,303	General Expenditure, including Administration, Stores, and Materials, &c.	..	..	..	9,038,451	
..	Road Lighting—Albert Park	..	..	..	1,850	
					77,018,940	
72,039,207						
1,369,276	Unexpended at 30th June—Cash at Credit of the Country Roads Board Fund	..	..	..	3,049,304	
492,878	Balance of Authority for expenditure from the Roads (Special Projects) Fund	..	..	..	744,456	
					3,793,760	
1,862,154						
73,901,361					80,812,700	

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, 1969, were roundly \$196,000 as against similar claims amounting to approximately \$108,000 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, 1969, and fresh estimates have been submitted for approval in respect of the year 1969-70.

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 ..	18,349,001	9,832,938	6,612,430	..	164,766	1,738,867
Main Roads	16,940,472	12,774,138	3,942,100	..	224,234	..
By-Pass Roads—Lower Yarra Crossing	4,541,455	..	1,541,455	..	3,000,000	..
By-Pass Roads—Other ..	7,140,851	2,513,411	3,590,459	..	..	1,036,981
Forest Roads	678,134	..	..	678,134	..	..
Tourists' Roads	2,792,961	578,323	849,245	1,365,393	..	..
Unclassified Roads ..	14,247,641	..	2,767,260	11,201,685	..	278,696
	64,690,515*	25,698,810	19,302,949†	13,245,212	3,389,000	3,054,544

* Includes roundly \$6,248,000 in respect of the acquisition of land for roadworks.

† Excludes contribution to Australian Road Research Board, \$175,304.

GENERAL EXPENDITURE.

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

1967-68.		1968-69.
\$		\$
4,807,302	Salaries, Long Service Leave, Retiring Gratuities, &c. ..	5,469,222
645,369	Printing and Stationery, Office and Motor Car Expenses, &c.	628,629
415,241	Divisional Offices and Residences	371,588
8,422	Kew Office and Laboratory—Buildings	59,480
139,204	Kew Office and Laboratory—Building Services	142,326
114,189	Pay-roll Tax—Staff	129,029
1,234,356	Plant Purchase (net)	1,582,807
64,598 Cr.	Properties Acquired for Road Deviations.. ..	Cr. 91,488
234,890	Traffic Section Costs	266,629
239,683	Traffic Line Marking	270,396
82,276	Murray River Bridges and Punts	85,790
15,948	Contribution—Metropolitan Transportation Committee—Act No. 7003	18,593
5,000	Contribution—Institute of Transportation Research ..	10,000
345,676	Other—Net items (including credit balances on various absorption accounts)	201,774
<u>8,222,958</u>		<u>9,144,775</u>
83,655	Less—Recoup—Administrative Oncost	106,324
<u>8,139,303</u>		<u>9,038,451</u>

Salaries, long service leave, retiring gratuities, &c., showed an increase of \$661,920 over the previous year.

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, \$91,488, 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 1968-69.

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 1968-69, these concessions amounted to \$1,687,258. Details are—

(a) Permanent Works.

Of the proportion charged to municipalities for permanent works on main roads, \$132,314, relief was granted, as provided in Act No. 6229, to the extent of \$31,569.

In respect of the interest on developmental roads, assessed at \$405, the whole was remitted.

The total due by the respective municipalities, \$100,745, was collected by the Board prior to 30th June, 1969.

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.

The Board is seeking appropriate amendments to the Country Roads Act in order to validate existing practices.

(b) Maintenance.

Of the sum of \$3,447,503 apportioned to municipalities, being one-third of the cost of maintenance of main roads in respect of the year 1967-68, the Governor in Council remitted \$1,655,284 as excessive maintenance not due to local traffic. The net amount received by the Board in 1968-69, \$1,830,704, included arrears of \$39,380.

TOURIST FUND.

The *Tourist Act* 1958, as amended by the *Tourist (Amendment) Act* 1960, 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 be paid from the Country Roads Board Fund to the Tourist Fund in the subsequent year. The amount so paid in 1968-69 was \$536,107.

For particulars of the operation of this Fund see page 107.

TRAFFIC COMMISSION FUND.

The *Road Traffic Act* 1958, as amended by the *Motor Car (Trailers) Act* 1966, provided 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 year. The amount so paid in 1968-69 was \$270,671.

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 :—

	1968-69.
	\$
Commonwealth of Australia	130,864
Rural Finance and Settlement Commission	24,458
Department of Crown Lands and Survey	51,466
Melbourne City Council	108,408
State Rivers and Water Supply Commission	21,892
Melbourne and Metropolitan Board of Works	297,123
Lower Yarra Crossing Authority	58,749
Other	10,400
	703,360

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, 1969, an amount of \$65,149 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 \$2,922 was held in the Commonwealth Works Account on behalf of the Commonwealth Government.

LOAN OPERATIONS.

Loan allocations amounting to \$3,389,000 during the year increased the Board's loan liability which, at 30th June, 1969, was as set out in the following statement :—

	Main Roads and State Highways.	Developmental Roads.	Total.
	\$	\$	\$
Net Loan Liability at 30th June, 1968	24,286,355	6,692,500	30,978,855
<i>Add</i> —Discount and Expenses	12,664	1,365	14,029
Advances—Act No. 6229	3,389,000	..	3,389,000
	27,688,019	6,693,865	34,381,884
<i>Less</i> —Repayments	77,829	..	77,829
	27,610,190	6,693,865	34,304,055
Deduct—Increase in equity in National Debt Sinking Fund	333,216	258,447	591,663
Net Loan Liability at 30th June, 1969	27,276,974	6,435,418	33,712,392

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 1968–69 was provided from loan moneys under the authority of Public Works Loan Application Act No. 7746.

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, 1969, amounted to \$328,673. The amount at credit to the Fund at 30th June, 1969, was \$51,327.

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 \$72,556 of which \$18,593 was apportioned to the Country Roads Board. Unallocated expenses of \$7,228 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 \$115,861 in 1968–69.

EDUCATION.

The total cost of education met from State Funds during 1968-69 was \$246,724,798. This figure does not include interest and sinking fund charges on loans ; expenditure and grants in respect of specialized teaching institutions administered by the Forests Commission, Department of Agriculture and certain other departments ; and expenditure on sundry cadetships, bursaries, scholarships and subsidies provided from the votes of departments other than the Education Department and Treasury. The following statement shows the heads of expenditure contributing to the cost of education to the State :—

		\$	\$
Departmental Votes—			
Education			181,742,299
Treasury			22,548,951
Public Works			416,055
Agriculture			70,000
			204,777,305
Special Appropriations			5,492,342
			210,269,647
<i>Less—Recoups of Expenditure &c.</i>			76,009
			210,193,638
Net Expenditure			210,193,638
<i>Less—Revenue Collections</i>		1,675,139	
Commonwealth Grant on account of recurrent expenditure for advanced education		2,968,622	
			4,643,761
Net Cost to Consolidated Revenue			205,549,877
Loan Fund			41,173,921
Forestry Fund			1,000
			205,549,877
Total Cost of Education met from State Funds			246,724,798

Receipts and expenditure during 1967-68 and 1968-69 on the preceding basis were :—

	1967-68.	1968-69.
	\$	\$
Consolidated Revenue—		
Expenditure	181,737,299	210,193,638
Receipts	4,338,284	4,643,761
	177,399,015	205,549,877
Net Cost to Consolidated Revenue		
Loan Fund	38,800,135	41,173,921
Forestry Fund	1,000	1,000
	216,200,150	246,724,798
Total Cost of Education met from State Funds		

ANALYSIS OF COST OF EDUCATION MET BY THE STATE.

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

	1967-68.	1968-69.
<i>Expenditure—</i>		
	\$	\$
Salaries, &c.—Teaching Service	110,022,813	127,712,582
Salaries, &c.—General Administration and Clerical Assistance ..	2,532,440	2,851,298
Pay-Roll Tax	2,984,829	3,297,442
Allowances to Students in Training	11,875,097	13,405,963
Workers Compensation Insurance	575,395	986,574
Travelling Expenses and Allowances, &c.	440,513	549,189
Libraries—Grants and Subsidies	383,297	423,537
School and Office Equipment and Requisites	1,895,177	2,055,464
Text Books, Publications, Examination Expenses, Postage and Telephone Expenses, Incidentals	719,460	742,117
School Cleaning and Services	6,054,428	7,058,975
Conveyance of Pupils	7,642,353	8,030,383
Bursaries, Scholarships and Maintenance Allowances	2,851,080	2,998,208
Operating Costs—Hostels and Residential Camps	954,559	930,804
Buildings and Residences—Capital Works	24,911,971	26,182,058
—Maintenance	5,448,149	5,644,494
Sites and Properties	2,273,261	2,422,391
Grants, &c.	34,519,466	41,065,834
Fees—Universities and Other	681,573	719,460
Pensions—Retired Teachers and Officers.. .. .	3,772,573	4,291,786
	220,538,434	251,368,559
<i>Receipts (Net)—</i>		
Tuition Fees	193,587	205,878
Rents	503,919	524,649
Board—Students in Training, &c.	585,270	567,186
Broken Bond Debts	143,065	165,309
Commonwealth Grant on account of recurrent expenditure for Advanced Education	2,619,198	2,968,622
Recoups from Registered Schools—Equipment	101,323	50,225
Miscellaneous	191,922	161,892
	4,338,284	4,643,761
Total Cost of Education met from State Funds.	216,200,150	246,724,798

A detailed statement providing a comparative analysis of expenditure from loan and revenue moneys and of receipts in respect of the various services is given in Appendix "C".

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, &c.—Teaching Service.—Expenditure under this head rose from \$110,022,813 to \$127,712,582, an increase of \$17,689,769. The following factors contributed to the increase :—

- (i) the second phase of the Teachers Tribunal determination in respect of equal pay ;
- (ii) a Teachers Tribunal determination effective from 17th November, 1968 ;
- (iii) the cost of the salaries for a half-year of 2,613 graduates from Teachers' Colleges who were appointed to teaching positions on 1st January, 1969 ;
- (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, 1968 ; and
- (v) the annual salary increments of teachers.

Overpayments and underpayments continued to occur in respect of teachers' salaries. The high incidence of error necessitated my bringing the matter again under the notice of the Department and repeating a suggestion that the assistance of personnel trained in organization and methods should be obtained to effect the needed improvement in internal check relating to salaries expenditure. In connection with the proposed processing of teachers' salaries on the public service computer, an examination is being undertaken by Public Service Board staff in collaboration with officers of the Department. Some improvement in organization and internal control may be expected to emerge as a consequence of this examination. It must be recognized, however, that the Department will continue to be faced with problems arising from sheer volume and the extent of the variations which necessarily flow from new salary determinations.

Allowances to Students in Training.—The rise of \$1,530,866 was caused by increases in the number of students in training and in the rate of allowances.

School Cleaning and Services.—The increase of \$1,004,547 resulted mainly from a rise in light, power and fuel consumption, wage increases, and greater areas to be cleaned.

Grants, &c.—Expenditure rose from \$34,519,466 to \$41,065,834, an increase of \$6,546,368. This resulted mainly from higher grants to the three Universities and to Colleges of Advanced Education.

Broken Bond Debts.—Collections on account of these debts during 1968–69 amounted to \$165,309 and, during the same period, debts totalling \$738,890 were written off as uncollectable. The total debt due at 30th June, 1969, was \$1,994,937.

TECHNICAL SCHOOLS AND COLLEGES.

Funds provided from Consolidated Revenue and the Loan Fund for technical schools and colleges are augmented by receipts from tuition fees and other forms of 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 technical teachers appointed under the Teaching Service Act and of teachers employed by school and college councils, salaries and wages of office and maintenance staffs, other operating costs and capital items.

The following statement, to be read in conjunction with Appendix “C”, combines Treasury, school and college accounts to show the application of the funds available for education in these institutions.

1967–68.		1968–69.
\$	<i>Source of Funds—</i>	\$ \$
	State Funds—	
30,861,126	Consolidated Revenue (net)	36,535,349
8,974,659	Loan Fund	9,818,265
		<hr/> 46,353,614
	Funds provided by the Commonwealth—	
4,402,387	Science Laboratories and Technical Training	2,087,323
2,301,245	Advanced Education—Recurrent expenditure	2,620,130
2,368,113	—Capital expenditure	2,152,847
97,000	—Library materials	58,500
		<hr/> 6,918,800
	Revenue collected by Schools and Colleges—	
2,413,947	Tuition Fees	2,657,717
617,592	Other	754,769
		<hr/> 3,412,486
<hr/> 52,036,069	Total Available Funds	<hr/> 56,684,900
	<i>Application of Funds—</i>	
	Salaries (including pay-roll tax)—	
26,059,498	Teachers and Part-time Instructors	31,129,575
3,090,561	Administrative and Maintenance Staff	3,558,423
		<hr/> 34,687,998
14,764,946	Erection and Maintenance of Buildings	12,931,539
523,593	Purchase of Sites and Properties	559,568
2,401,371	Equipment	2,472,496
3,552,028	General Costs of Classes and Administrative Costs, &c.	3,448,935
1,566,642	Scholarship, Maintenance and Conveyance Allowances to Pupils	1,613,920
<hr/> 51,958,639		<hr/> 55,714,456
58,947	Less Rents, &c., Received by Education Department	59,237
<hr/> 51,899,692		<hr/> 55,655,219
136,377	Plus Surplus for Year (Maintenance Accounts)	1,029,681
<hr/> 52,036,069	Total Funds Applied	<hr/> 56,684,900

The funds available to these institutions in 1968–69 were \$4,648,831 more than in the previous year, but \$3,755,527 only of this increase was expended in the year. The balance, \$893,304, was retained in the various Maintenance Accounts.

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. The following figures for 1967-68 and 1968-69 show average per capita costs (excluding capital items and grants to the Kindergarten Training College) based on the average number of students in training :—

	1967-68.	1968-69.
	\$	\$
Cost of conducting teachers' colleges	17,031,002	19,596,979
Cost of conducting hostels for students in training	435,508	459,660
	17,466,510	20,056,639
Average number of students in hostels	1,510	1,501
Average number of students accommodated privately	7,990	8,839
Average total number of students	9,500	10,340
	\$	\$
Average annual <i>per capita</i> cost of training (exclusive of accommodation) ..	1,793	1,895
Average additional annual <i>per capita</i> cost of training for those students accommodated in hostels	288	306

CONVEYANCE OF PUPILS.

Following is a comparative analysis of expenditure on school bus services and pupils' travelling allowances :—

	1967-68.	1968-69.
	\$	\$
Payments for contractors providing special bus transport services for pupils	6,428,061	6,820,966
Allowances not exceeding 10c per day for eligible pupils attending primary schools	182,144	185,962
Allowances for eligible pupils attending post-primary schools	1,024,313	1,014,940
Allowances for eligible pupils under reciprocal arrangements with other States	7,835	8,515
	7,642,353	8,030,383

COMMONWEALTH CONTRIBUTIONS TO STATE EDUCATION.

Pursuant to the provisions of the various Commonwealth Acts relating to payments to the States specifically for education, grants were received by Victoria in 1968-69 for the following purposes :—

	\$
Universities, Affiliated Residential Colleges and Teaching Hospitals—recurrent and capital expenditure	19,180,612
Universities—research projects	596,312
Science Laboratories—buildings and equipment	3,054,700
Technical Training—buildings and equipment	1,499,312
Advanced Education—recurrent expenditure	2,968,622
Advanced Education—building projects and equipment of a capital nature	2,174,100
Advanced Education—library material	66,500
Teachers' Colleges—building projects	1,600,000
Secondary School Libraries—buildings and equipment	500,000
Pre-school Training Centres—building projects	20,000
	<hr/>
	31,660,158
	<hr/>

Disbursements were as follows :—

	\$	\$
Universities—		
Melbourne	8,210,052	
Monash	7,370,877	
La Trobe	4,195,995	
	<hr/>	19,776,924
Science Laboratories—		
State Schools	1,719,155	
Registered Schools	1,199,846	
	<hr/>	2,919,001
Technical Training—		
School Buildings and Equipment		1,802,993
Advanced Education—		
Recurrent Expenditure (Recoups to Consolidated Revenue)	2,968,622	
Technical College Buildings, &c.	2,179,827	
Grants for Library Material	66,500	
	<hr/>	5,214,949
Teachers' Colleges—		
College Buildings and Equipment	1,535,690	
Pre-school Training Centre	20,000	
	<hr/>	1,555,690
		<hr/>
		31,269,557
		<hr/>
Balance Unexpended		390,601
		<hr/>

The above statement excludes certain receipts and payments relating to specialized teaching institutions administered by the Forests Commission and the Department of Agriculture.

The amount of \$390,601, together with the unexpended balances from prior years, is held in the various State Grants Trust Accounts in the Treasury. At 30th June, 1969, the total held in these accounts was \$2,803,586.

The University of Melbourne.

Particulars of the University's income and expenditure for the calendar year 1968 compared with those of the previous two years are shown in the following statement :—

	1966.		1967.		1968.	
<i>Income—</i>	\$	\$	\$	\$	\$	\$
State Government Grants—						
General purposes	5,351,399		5,973,911		7,048,626	
Special purposes	4,745,008		1,655,813		2,321,797	
	<u>10,096,407</u>		<u>7,629,724</u>		<u>9,370,423</u>	
Commonwealth Government Grants—						
General purposes	4,795,048		5,265,000		5,763,000	
Special purposes	3,314,684		3,853,866		3,475,990	
	<u>8,109,732</u>		<u>9,118,866</u>		<u>9,238,990</u>	
Students' fees		3,576,911		4,188,716		4,181,330
Donations and bequests ..		1,577,426		1,416,143		1,399,297
Interest, dividends, rents ..		438,311		578,721		608,122
Dental Hospital Building on account of Principal and Interest		211,646		211,643		220,249
Other income		989,625		863,612		1,034,827
		<u>25,000,058</u>		<u>24,007,425</u>		<u>26,053,238</u>
<i>Expenditure—</i>						
Salaries and associated expenditure		12,915,713		14,068,920		15,578,625
Apparatus and books		2,142,570		2,255,846		2,244,338
Buildings, land, grounds and vehicles		4,650,201		6,555,433		5,359,488
Examination expenses		50,945		61,356		61,520
Special grants, and fees to affiliated institutions		585,658		666,596		676,236
General expenses		1,370,752		1,435,296		1,843,019
Interest and Redemption—Dental Hospital loan		211,644		211,643		220,247
		<u>21,927,483</u>		<u>25,255,090</u>		<u>25,983,473</u>
<i>*Balance—</i>						
General Account	<i>Surplus</i>	2,854,887	<i>Deficit</i>	1,621,388	<i>Deficit</i>	147,547
Trust Fund	<i>Surplus</i>	217,688	<i>Surplus</i>	373,723	<i>Surplus</i>	217,312
	<i>Surplus</i>	<u>3,072,575</u>	<i>Deficit</i>	<u>1,247,665</u>	<i>Surplus</i>	<u>69,765</u>

* Takes into consideration inter-fund transfers.

In 1968, as in previous years, Government grants constituted the major proportion of the income of the University.

Financial operations of the University in 1968 resulted in an overall surplus of income over expenditure amounting to \$69,765 compared with a deficit of \$1,247,665 in 1967, a net improvement of \$1,317,430.

The large surplus in 1966 and the substantial deficit in 1967 were brought about mainly by the receipt in 1966, the last year of the 1964-66 Triennium, of considerable sums from the State by way of grants for the erection of new buildings, and the subsequent expenditure of these funds in 1967. There was no similar significant carry-over of capital funds to 1968 and, therefore, the accounts for 1968 provide a more representative picture of the year's recurrent operations.

The overall surplus of \$69,765 in 1968 comprises a surplus of \$217,312 in the Trust Fund and a deficit of \$147,547 in the General Account.

The balances of the 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 statement furnished hereunder shows how the balance of the General Account for the year 1968 has been arrived at :—

	\$	\$
General Fund surplus for year .. .. .	..	64,472
<i>Add</i> Excess of annual income over expenditure on account of—		
Lady Northcote Fund .. .. .	..	393
Medical Faculty Expansion Fund .. .. .	..	6,669
		<u>7,062</u>
		71,534
<i>Deduct</i> Excess of annual expenditure over income on account of—		
Conservatorium Fund .. .. .	..	1,761
Sundry Special Funds .. .. .	..	194,657
Sundry Research Funds .. .. .	..	22,663
		<u>219,081</u>
General Account—		
Net deficit for the year .. .. .	..	<u>147,547</u>

Of the net annual surplus of \$64,472 in the General Fund, the sum of \$25,000 was appropriated to reduce the accumulated deficit and the balance of \$39,472 was held for application to 1969 expenditure. However, the University Council, in 1968, agreed to add to the General Fund deficit an operating deficit of \$48,042 incurred by International House up to 31st December, 1965, and to amortize this deficit with that of the General Fund. Consequently, the accumulated deficit increased from \$734,786 at 31st December, 1967, to \$757,828 at 31st December, 1968. These transactions relating to the accumulated deficit are summarized hereunder :—

	\$
Accumulated deficit at beginning of year	734,786
<i>Add</i> —International House deficit transferred to General Fund in 1968	48,042
	<u>782,828</u>
<i>Less</i> —Appropriation from 1968 Surplus	25,000
Accumulated deficit at end of year	<u>757,828</u>

Further appropriations were made from the General Fund to special funds to meet future expenditures and the General Fund was assisted by the use of funds set aside in prior years as follows :—

	\$	\$
Appropriated from 1968 income to special funds for future use—		
To meet reduction targets and expenditure of departments later in the Triennium .. .. .	..	6,818
To meet the cost of completion of post-contract variations to the Medical Centre .. .. .	..	21,000
To meet the estimated excess of expenditure over income in 1969 as a result of salary increases to non-academic staff to apply for a full year in 1969, and further expected salary increases .. .. .	..	370,800
		<u>398,618</u>
Appropriated from special funds for use in 1968—		
Transfer back of 1967 allocation to the Visiting Scholars Fund .. .. .	..	14,000
Transfer back of portion of funds set aside in 1967 to meet departmental reduction targets—towards cost of administrative positions in 1968 .. .. .	..	20,907
Transfer from Apparatus Appropriation Fund towards expenditure from departmental votes to academic departments .. .. .	..	99,162
		<u>134,069</u>
Net increase in general funds set aside for future use .. .. .	..	<u>264,549</u>

Expenditure in suspense pending allocation of funds, recoup, or adjustment, increased by \$45,631 to \$1,495,034. Thus at 31st December, 1968, the amount overdrawn on General Fund together with the sum remaining in suspense amounted to \$2,252,862 compared with \$2,184,189 at the close of the previous year. The sources from which finance was provided to meet these sums and those of the year 1966 are shown hereunder :—

	1966.		1967.		1968.	
	\$	\$	\$	\$	\$	\$
Unexpended Balances—						
Funds for buildings other than those already purchased or erected ..	3,221,001		829,188		572,011	
Research Funds	1,158,450		892,858		852,485	
Apparatus Appropriation Fund ..	119,729		279,026		180,807	
Departmental Budgets Appropriation Fund			261,319		247,230	
1969 Appropriation Fund					370,800	
Other Funds	823,909		991,259		823,564	
Income and Expenditure Account ..					39,472	
		5,323,089		3,253,650		3,086,369
Current Liabilities		1,158,152		1,202,403		1,738,594
		<u>6,481,241</u>		<u>4,456,053</u>		<u>4,824,963</u>
 <i>Less—Current Assets—</i>						
Cash		4,145		57,744		1,760
Sundry Debtors		775,173		1,206,620		1,270,341
Investments—Fixed Deposits ..		1,000,000		300,000		1,000,000
Short-term Loans ..		2,012,000		707,500		300,000
		<u>3,791,318</u>		<u>2,271,864</u>		<u>2,572,101</u>
		<u>2,689,923</u>		<u>2,184,189</u>		<u>2,252,862</u>

At 31st December, 1968, expenditure held in suspense on account of University properties amounted to \$1,062,363. Of this sum, a large proportion, \$819,353, related to the cost of the acquisition of a number of properties in the vicinity of the University for which specific funds had not been allocated. This expenditure has been carried forward in suspense for a number of years.

The Council, in an effort to reduce this commitment, directed that, where properties acquired were being used for general University purposes and had been financed by way of special advances, a notional rental of 5 per cent. per annum on the capital cost of each such property should be charged against the General Fund and applied towards the reduction of the sum being carried forward in respect of that property.

In accordance with this direction a total of \$24,714 was transferred from the General Fund to the credit of the respective building funds in the year,

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 :—

	1966. \$	1967. \$	1968. \$
<i>Income—</i>			
State Government Grants—			
General purposes	4,832,748	5,509,622	6,269,928
Special purposes	1,508,917	1,336,287	1,528,292
	6,341,665	6,845,909	7,798,220
Commonwealth Government Grants—			
General purposes	3,358,000	3,995,000	4,694,253
Special purposes	1,494,154	1,500,206	1,519,926
	4,852,154	5,495,206	6,214,179
Students' Fees including Union fees for operational purposes	1,525,454	2,083,521	2,451,541
Union fees for Union Development	80,418	99,308	115,791
Grants and Donations including Public Appeals	708,274	663,351	754,653
Book Shop .. .. .	..	..	1,027
Other income	132,552	260,012	466,248
	2,446,698	3,106,192	3,789,260
Total Income	13,640,517	15,447,307	17,801,659
<i>Expenditure—</i>			
Salaries and associated expenditure	6,495,834	8,137,186	9,633,778
Books, equipment, furniture, &c.	1,866,442	1,707,617	1,708,937
Maintenance, &c., buildings, land, grounds, vehicles	521,100	587,260	596,550
Student services	183,561	257,305	320,450
General expenditure	1,693,339	2,110,330	2,457,287
Site development	309,190	132,604	685,711
New buildings	1,554,374	2,266,609	3,296,490
Union development—Purchase of land, &c.	229,983	Cr. 55,756	19,925
Bookshop	23,620	23,303	..
	12,877,443	15,166,458	18,719,128
<i>Balance—</i>			
	1966. \$	1967. \$	1968. \$
Recurrent Funds	<i>Surplus</i> 72,020	<i>Surplus</i> 68,198	<i>Surplus</i> 158,970
Capital Funds	<i>Surplus</i> 333,247	<i>Deficit</i> 157,512	<i>Deficit</i> 1,133,882
Research Funds	<i>Surplus</i> 157,755	<i>Deficit</i> 6,416	<i>Deficit</i> 75,576
Grants and Donations.. .. .	<i>Surplus</i> 275,211	<i>Surplus</i> 86,123	<i>Deficit</i> 29,571
Other Funds	<i>Deficit</i> 75,159	<i>Surplus</i> 290,456	<i>Surplus</i> 162,590
	<i>Net Surplus</i> 763,074	<i>Net Surplus</i> 280,849	<i>Net Deficit</i> 917,469

The accumulated balance as at 31st December, 1968, amounted to \$1,918,862. Details are :—

	\$	\$
<i>Surpluses—</i>		
Grants and Donations	869,379	
Recurrent Funds	1,281,962	
Research Funds	74,233	
Other Funds	79,079	
	<hr/>	2,304,653
<i>Less</i> Accumulated Deficit on account of Capital Funds .. .. .	..	385,791
		<hr/>
Net Surplus .. .. .	..	1,918,862
		<hr/>

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 from 1967 and the growth of the University over the three years. Student numbers increased from 5,924 in 1966 to 7,120 in 1967 and to 8,466 in 1968. Increased expenditure on salaries is consistent with the growth in full-time staff, which over the three years numbered 1,623, 1,796 and 1,951, and with the increase in academic salary rates from 1st July, 1967.

La Trobe University.

The statement below gives details of the income and expenditure of the University for the calendar years 1966, 1967 and 1968. As the first students did not attend the University until 1967, the year 1966 was a formative year only. Students enrolled were 552 in 1967 and 1,163 in 1968. Staff numbers increased from 303 at the end of 1967 to 405 at the end of 1968.

		1966.		1967.		1968.
		\$		\$		\$
<i>Income—</i>						
State Government Grants—						
General Purposes	.. .. .	402,000		897,359		1,446,476
Special Purposes	.. .. .	1,501,700		2,224,750		2,350,000
		1,903,700		3,122,109		3,796,476
Commonwealth Government Grants—						
General Purposes	.. .. .	218,000		554,000		924,000
Special Purposes	.. .. .	1,501,700		995,999		2,772,255
		1,719,700		1,549,999		3,696,255
Academic Fees	.. .. .	..		129,607		262,524
Grants and Donations	.. .. .	18,080		38,088		56,885
Other Income	.. .. .	19,103		28,220		52,221
		37,183		195,915		371,630
Total Income	.. .. .	3,660,583		4,868,023		7,864,361
<i>Expenditure—</i>						
Salaries and Associated Expenditure	.. .. .	400,109		1,208,579		1,912,888
Books, Equipment and Furniture	.. .. .	265,580		227,092		218,549
Maintenance, &c.—Buildings, Land, Grounds, Vehicles	.. .. .	26,764		61,782		111,691
General Expenditure	.. .. .	178,900		250,550		338,975
Site Development	.. .. .	706,805		910,077		847,026
New Buildings	.. .. .	1,832,256		3,071,567		4,508,099
Residential Colleges (Net)	.. .. .	3,737		7,450		18,270
Acquisitions (Building)	.. .. .	51,403		..		..
		3,465,554		5,737,097		7,955,498
Total Expenditure	.. .. .	3,465,554		5,737,097		7,955,498
<i>Balance—</i>						
		1966.		1967.		1968.
		\$		\$		\$
Recurrent Funds	.. .. .	<i>Deficit</i> 195,964		<i>Deficit</i> 73,504		<i>Surplus</i> 185,536
Building Funds	.. .. .	<i>Surplus</i> 408,953		<i>Deficit</i> 650,439		<i>Deficit</i> 308,955
Research Vote	.. .. .	<i>Surplus</i> 1,194		<i>Surplus</i> 60		<i>Deficit</i> 7,596
Grants and Donations	.. .. .	<i>Surplus</i> 16,897		<i>Surplus</i> 9,272		<i>Surplus</i> 29,604
Other Funds	.. .. .	<i>Deficit</i> 36,051		<i>Deficit</i> 154,463		<i>Surplus</i> 10,274
		<i>Surplus</i> 195,029		<i>Deficit</i> 869,074		<i>Deficit</i> 91,137

The item, Residential Colleges (Net) \$18,270, represents the net cost of operations for the year of Glenn College (\$8,497) and Menzies College (\$9,773).

The Accumulated Funds at 31st December, 1968, showed a net deficit of \$249,258. Details are :—

		\$		\$
<i>Deficits—</i>				
Recurrent Funds	.. .. .			77,694
Building Funds	.. .. .			40,755
Research Vote	.. .. .			6,342
Other Funds	.. .. .			180,240
				305,031
<i>Less</i> Accumulated Surplus on account of Grants and Donations	.. .. .			55,773
Net Deficit	.. .. .			249,258

Victoria Institute of Colleges.

The Institute's Income and Expenditure accounts for the calendar years 1966, 1967 and 1968 are detailed below :—

<i>Income—</i>	1966. \$	1967. \$	1968. \$
<i>Government Grants—</i>			
State	46,000	76,250	92,600
Commonwealth .. .. .	..	41,210	50,060
Gifts and Donations .. .. .	..	2,000	..
Other	60	269	2,641
	46,060	119,729	145,301
 <i>Expenditure—</i>			
Salaries and Associated Expenditure ..	21,272	61,030	100,266
Books, Equipment and Furniture	5,863	16,216	4,675
Maintenance—Offices, Vehicles, &c. ..	7,823	13,735	17,977
Office Expenditure	6,968	8,804	11,124
Travelling, &c.	3,327	2,041	3,802
General — —	979	1,134	3,221
	46,232	102,960	141,065
<i>Balance—</i>	<i>Deficit</i> 172	<i>Surplus</i> 16,769	<i>Surplus</i> 4,236

Accumulated Funds as at 31st December, 1968, amounted to \$21,531 and were composed of Recurrent Funds, \$20,127, Gifts and Donations, \$890 and Other Funds, \$514.

FORESTS COMMISSION.

EXPENDITURE.

In the year under review, expenditure, excluding Debt Charges, amounted to \$8,897,982. Under broad headings, the principal divisions of expenditure in the past two years were:—

	1967-68.	1968-69.
	\$	\$
Appropriations—		
Salaries and Payments in the nature of Salary	2,456,297	2,417,498
Pay-roll Tax	61,737	62,328
Pensions	140,846	167,945
School of Forestry	38,800	40,300
Other Administrative Expenses	166,000	166,460
Utilization Forest Produce	701,146	567,806
Contribution to the National Sirex Fund	41,700	41,700
Sundry	48,270	49,311
	3,654,796	3,513,348
Forestry Fund—		
Forest Protection	534,490	472,346
Silvicultural	30,542	26,590
Road Works	337,070	303,490
Plantations and Nurseries	75,907	94,560
Maintenance of Buildings	49,579	32,529
Purchase and Maintenance Motor Vehicles and Equipment ..	475,081	527,027
Utilization	105,331	106,546
Supervision	283,040	325,687
Operating and Other Expenses	528,991	475,876
	2,420,031	2,364,651
Loan Fund—		
Land	100,421	53,474
Fire Protection	731,682	452,884
General Operations	210,639	253,310
Extraction Roads	237,635	349,371
Plantations	1,295,027	1,746,313
Buildings	134,199	136,188
Plant and Machinery	25,235	9,571
Advances—Farm Forestry	24,263	18,872
	2,759,101	3,019,983

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

	1967-68.		1968-69.	
	\$	%	\$	%
Appropriations	3,654,796	41.4	3,513,348	39.5
Forestry Fund	2,420,031	27.4	2,364,651	26.6
Loan Fund	2,759,101	31.2	3,019,983	33.9

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 1967-68, these totalled \$512,682 and in 1968-69, \$576,182.

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, 1969, Victoria had contributed as its share the sum of \$291,900. From the Fund, Victoria had received, up to 30th June, 1969, a total of \$1,627,100 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, 1969, amounted to \$1,613,071 and the balance then remaining in the Account was \$14,029.

Forestry Fund.

The overall decrease of \$55,380 in expenditure from the Forestry Fund for the current year was the net result of various increases and decreases in the component items, the main variations being increases in expenditure on Motor Vehicles and Supervision, and decreases in Forest Protection, Operating and Other Expenses, and Road Works.

Loan Fund.

The decrease in expenditure on Forest Protection was due largely to a reduction of \$311,668 in fire suppression costs included in this item. Fire suppression costs charged to Loan in 1968-69 were \$66,680 compared with \$378,348 in 1967-68.

The increased expenditure on Plantations was caused by the preparation and planting of additional acreage.

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 succeeding 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 1968-69 amounted to \$1,323,776, and is included under Plantations in the statement of expenditure. The scheme is now in its third year of planting under the Agreement and total expenditure to 30th June, 1969, amounted to \$2,842,227.

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 \$18,872 were made during the current year and total advances to 30th June, 1969, amounted to \$62,693.

Since the inception of the use of loan funds for forestry purposes, a sum of \$54,394,377 has been so applied from this source. After allowing for discount, expenses and amounts redeemed or repaid, the Loan Liability at 30th June, 1969, was \$47,873,874, towards which there was an equity of \$4,589,316 in the National Debt Sinking Fund.

RECEIPTS.

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

	1967-68.	1968-69.
	\$	\$
Rents, etc.	111,733	133,061
Royalties	4,760,103	4,710,735
Sale of Forest Produce	727,119	627,708
Other	110,851	124,497
	<u>5,709,806</u>	<u>5,596,001</u>

Between the two years, there was a net decrease of \$113,805 in collections which was attributable mainly to decreases under the headings of Royalties and Sale of Forest Produce. The fall in demand for forest produce, mentioned in the previous Report, continued in 1968-69.

NET COST.

The net cost for 1968-69, based on receipts and expenditure in the Consolidated Revenue Account, was \$2,614,832 as shown in the following statement of receipts and expenditure for the past two years :—

1967-68.	Receipts.	1968-69.	1967-68.	Expenditure.	1968-69.
\$		\$	\$		\$
5,709,806	As detailed	5,596,001	33,300	Commissioners' Salaries	33,300
2,492,290	Net Cost	2,614,832	3,480,650	Votes	3,312,103
			140,846	Pensions	167,945
			2,435,918	Grants to the Forestry Fund	2,421,898
			2,005,773	Interest	2,164,040
			1,295	Loan Conversion Expenses	1,250
			104,314	National Debt Sinking Fund	110,297
<u>8,202,096</u>		<u>8,210,833</u>	<u>8,202,096</u>		<u>8,210,833</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, 1969, was \$175,295.

Forests Plant and Machinery Fund.

Section 32 of the *Forests Act 1958* provides for a Forests Plant and Machinery Fund. Where certain plant specified by the Minister is engaged on the construction or maintenance of any works of the Commission, charges are to be made, against the works, of such sums as the Minister determines are proper to be charged in the circumstances for—

- (a) renewals and replacements of the plant and machinery; and
- (b) costs of operating, maintaining and repairing the plant or machinery and other incidental expenses.

Section 32 requires that the sums charged for renewals and replacement be credited to the Forests Plant and Machinery Fund. The other component of the charge for plant hire, that is the part relating to costs of operation, maintenance and repair, etc., is credited to a Repairs to Plant Account, which is a subdivision of the Stores Suspense Account.

The following statement summarizes operations within the Plant and Machinery Fund for the year :—

	\$
Balance 1st July, 1968	435,887
Plant Hire	64,874
Sale of Plant	9,284
	<hr/>
	510,045
Less Expenditure on Renewals	269,607
	<hr/>
Balance 30th June, 1969	240,438

Credits to the Fund from the renewals and replacement component of plant hire charges fell from \$224,456 in 1967-68 to \$64,874 in 1968-69. This reduction in the total credit followed two variations made during the year in respect of plant hire charges.

The first variation had the effect of changing the composition of the hire charge by increasing the operation and repair component of the charge and offsetting this increase by a corresponding reduction in the renewals and replacement component.

The result of the second variation was that, during the period 27th November, 1968 to 14th May, 1969, no part of any plant hire charge for the use of specified plant was credited to the Plant and Machinery Fund, the full amount of the charge being credited to the Repairs to Plant Account. The question of whether this suspension of credits to the Plant and Machinery Fund was contrary to the provisions of Section 32 was raised with the Commission. An opinion obtained by the Commission from the Crown Solicitor upheld the validity of the allocation of the credits.

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 \$138,307 and expenditure charged totalled \$130,905. At the close of the year, the balance at credit of the Account was \$60,727.

Commonwealth Grant—Drought Relief 1967 Trust Account.

Expenditure from this Treasury Trust Account for the year totalled \$602,336 and related to employment-giving works in declared drought areas.

GOVERNMENT PRINTER.

Income from printing, sales of publications, &c., for the year amounted to \$3,311,637 compared with \$3,080,131 in 1967-68.

Most of the work for the State is for the purpose of meeting the requirements of other Departments and charges for these services are met from departmental votes. The statement below shows a profit of \$43,913 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.

	1967-68.	1968-69.
	\$	\$
<i>Item.</i>		
Materials	968,049	1,148,784
Salaries and Wages (including Pay-roll Tax)	1,637,297	1,634,250
Insurance—Workers Compensation	7,290	9,848
Insurance—Fire	2,929	2,691
Power, Fuel and Light	38,145	42,288
Repairs to Buildings and Plant	28,459	30,119
Sundry Charges	48,431	50,007
Postage and Incidentals	32,719	38,466
Depreciation on Plant and Machinery	89,813	82,022
Work—Other than by Government Printer	253,604	229,249
	3,106,736	3,267,724
Profit	—	43,913
Loss	26,605	—
Turnover	3,080,131	3,311,637

The total cost of plant and machinery met from loan funds to 30th June, 1969, was \$1,413,404. 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 1968-69, the balance in the Fund at 30th June, 1969, 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, 1969, excluding that of the Mental Hygiene Branch and the contributions to the Hospitals and Charities Fund, which are discussed elsewhere in the Report, was \$14,541,077.

This expenditure consists of the following charges :—

	\$	\$
Departmental Votes—		
Health—Salaries, General Expenses, &c.		13,672,983
Treasury—Pay-roll Tax	51,447	
Treasury—Workers Compensation Insurance	29,783	
	<hr/>	81,230
Public Works—Maintenance, Rents, &c.		78,757
Special Appropriations—Salary of Director of Tuberculosis, and Pensions ..		708,107
		<hr/>
		14,541,077

Receipts (excluding those of the Mental Hygiene Branch) totalled \$3,616,916, and the net cost of health services to revenue was \$10,924,161, an increase of \$885,310 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 two years is shown in the following table :—

	1967-68.	1968-69.
	\$	\$
Rentals—Lincoln House	147,000	98,000
Registration and other Fees	111,269	118,682
Other Receipts	21,802	14,405
	<hr/>	<hr/>
	280,071	231,087

Expenditure in the same period was :—

	\$	\$
(a) <i>From Revenue</i> —		
Central Administration	889,001	975,605
Cancer Institute	1,840,000	1,970,000
Infectious Diseases	291,829	305,269
Venereal Diseases	75,423	75,333
Inspection of Buildings, Food Supervision, &c.	728,885	774,511
Miscellaneous Grants	662,458	711,130
Subsidies—Home Help Scheme, Clubs for Elderly People, &c.	907,143	935,137
	<hr/>	<hr/>
	5,394,739	5,746,985
(b) <i>From Loan</i> —		
Cancer Institute	385,000	350,000
Other	475,132	518,628
	<hr/>	<hr/>
	860,132	868,628

Tuberculosis Branch.

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

	1967-68.	1968-69.
	\$	\$
Commonwealth recoup under Health Act 1958	3,181,176	3,228,246
Other receipts	130,918	141,603
	<u>3,312,094</u>	<u>3,369,849</u>

Expenditure for the same period is compared thus :—

	\$	\$
(a) <i>From Revenue</i> —		
Operation of sanatoria, tuberculosis wards, bureaux, mass X-ray services, &c.	3,820,679	3,830,970
(b) <i>From Loan</i> —		
State sanatoria and clinics, &c.	178,780	443,960

Progress payments to 30th June by the Commonwealth on account of 1968-69 maintenance expenditure amounted to \$3,143,424. Reimbursement of the balance outstanding at 30th June, 1969, 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 two years was :—

	1967-68.	1968-69.
	\$	\$
Loan	7,593	227,420
Revenue	1,426	16,413
	<u>9,019</u>	<u>243,833</u>

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 two years was as follows :—

	1967-68.	1968-69.
	\$	\$
<i>Expenditure</i> —		
School Medical and Dental Services, &c.	1,661,331	1,716,505
Subsidies	2,768,310	3,246,617
	<u>4,429,641</u>	<u>4,963,122</u>
<i>Revenue</i>	14,043	15,980
<i>Net Expenditure</i>	<u>4,415,598</u>	<u>4,947,142</u>

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

Expenditure from loan was :—

	\$	\$
Subsidies towards capital expenditure on pre-school centres	400,000	400,000
Other	8,671	* 89,988
	<u>408,671</u>	<u>489,988</u>

* Expenditure totalling \$58,904 on the school dental centre at North Fitzroy, and renovations amounting to \$22,021 at the school medical centre at South Yarra, absorbed most of these costs.

Mental Hygiene Branch.

Gross expenditure by this Branch for non-capital purposes was \$22,375,291, and after taking into consideration receipts of \$2,271,456, the net cost of mental health services was \$20,103,835. The gross expenditure comprised charges to—

	\$	\$
Departmental Votes—		
Health—Salaries and payments in the nature of salary ..	16,664,920	
General Expenses	5,371,506	
Child Endowment Transfer	134,787	
	22,171,213	
Treasury—Workers Compensation Insurance .. .. .	..	118,203
Public Works—Maintenance and Rents .. .. .	..	85,875
		22,375,291

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

	1967-68.	1968-69.
	\$	\$
Maintenance of patients—principally Commonwealth payments on account of pensioners in Training Centres and repatriation patients	1,543,484	1,604,101
Deduction from Salaries for Accommodation and Meals*	.. 327,094	236,927
Sales of Meal Tickets	45,718	76,227
Commonwealth Pharmaceutical Benefits	192,821	300,557
Sales of produce	19,985	13,229
Other	26,111	40,415
	2,155,213	2,271,456

* 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 two financial years are—

Item.	1967-68.	1968-69.
	\$	\$
Salaries	13,244,535	14,139,584
Overtime and penalty rates	2,016,806	2,417,120
Payments in lieu of long service leave	116,020	108,216
	15,377,361	16,664,920
Provisions and extra articles	2,211,949	2,154,559
Clothing, bedding, &c.	469,214	483,469
Stores, &c.	472,963	477,914
Fuel, light, and water	815,993	910,311
Drugs and medicines	577,149	624,274
Repairs, maintenance and rents	111,096	85,875
Boarded-out patients	176,480	198,000
Other	618,628	641,182
Transfer to Intellectually Handicapped Children's Amenities Account .. .. .	..	† 134,787
	20,830,833	22,375,291

† Child endowment moneys received by the State Treasury since 1st July, 1967, on account of inmates of the Kew Cottages, Janefield, St. Nicholas, Stawell, Travencore and Sandhurst hospitals amounting to \$134,787 were set aside during the year under review in a Trust Account entitled "Intellectually Handicapped Children's Amenities Account". The purpose of this account is to enable a committee directly representing the children, such as parents or close relatives, to act, in consultation with officers of the Mental Health Authority, in the purchase of amenities which would not otherwise be provided by the Authority.

Expenditure from the Loan Fund during 1968–69 on buildings and equipment of State institutions amounted to \$4,343,305. 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	601,888	
	<hr/>	615,888
 Loan Fund—		
Other Institutions—Grants for Capital Works .. ..	.. ..	224,960
		<hr/>
		840,848
		<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 1967* 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, 1967 to 30th June, 1970, on projects approved in terms of the Act. In 1968–69, under these provisions, the State received \$1,200,065 which was credited to the Commonwealth-State Grants (Mental Institutions) Trust Fund. This amount 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 \$51,768,598 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	12,462,183
Special Appropriation, Act No. 6390—Tattersall Receipts	5,374,851
Annual Appropriation, Division 72	29,541,000
Deductions from Premiums—Motor Car Third Party Insurance	1,837,311
	50,815,345
Balance forward from 1967-68	953,253
	51,768,598

Particulars of expenditure for 1967-68 and 1968-69 are shown in the following statement:—

	1967-68.	1968-69.
	\$	\$
Maintenance—		
Hospitals	37,090,721	43,051,151
Benevolent Homes and Hospitals for the Aged	2,927,843	3,462,953
Children's Homes	379,179	425,023
Foundling Homes and Refuges	245,500	264,743
Philanthropic Organizations	242,350	368,950
District Nursing Societies	257,456	266,967
Medical Dispensaries	47,445	55,697
Ambulance Services	759,000	830,000
Hostels for the Aged	144,061	159,274
Training Schools (Nursing, &c.)	483,043	536,330
Other Institutions	212,776	244,717
Public Risk Insurance	66,130	103,453
Hospitals Superannuation Board	18,557	33,169
	42,874,061	49,802,427
Less Refund from Commonwealth Blood Transfusion Service	175,671	193,348
	42,698,390	49,609,079
Other—		
Costs Associated with Totalizator Receipts	44,625	57,308
Training of Officers	33,171	18,499
Recruitment and Training of Nurses	84,017	76,992
Post-graduate Training of Nurses	35,180	26,635
Administration Costs	550,600	590,134
	43,445,983	50,378,647

The balance in the Fund at 30th June, 1969, was \$1,389,951.

Details of payments from the Fund to individual institutions are given on pages 195 to 197 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 \$12,808,641.

Details of payments from loan moneys to individual institutions are shown in the Treasurer's Finance Statement, pages 191 to 194.

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, the Industrial Safety Advisory Council and the Consumers Protection Council are also administered within the Department.

Expenditure, including rentals and maintenance charges paid by the Public Works Department, during the last two years is compared hereunder :—

		1967-68.	1968-69.
		\$	\$
Salaries and Payments in the nature of Salaries		1,069,270	1,116,550
General Expenses		204,264	258,757
Other Services		41,746	74,328
Pay Roll Tax		27,095	26,574
Workers Compensation Insurance		4,938	8,063
Maintenance		11,533	11,014
Rentals		27,602	44,465
		1,386,448	1,539,751

The increase in Rentals reflects the first full year's rental paid on account of the occupation by the Apprenticeship Commission of premises at 200 Little Collins Street. The "Other Services" figure for 1968-69 includes the cost of administering the Consumers Protection Council, which was formerly charged against the Attorney General's Vote.

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

		\$	\$
Registration and Inspection Fees—			
Factories and Shops, Lifts and Cranes, &c.		759,204	898,434
Boilers		199,064	272,089
Other		12,140	16,559
		970,408	1,187,082

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 1968-69.

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, exclusive of deductions from pay for Group Tax, Superannuation, Insurance, &c., amounted to \$3,622,600 compared with \$3,626,524 in the previous year. Details are as set out hereunder :—

	1967-68.	1968-69.
	\$	\$
Territorial Revenue—		
Fees for various licences and leases, &c.	1,927,694	1,908,904
Proceeds of sales of land	483,963	490,420
	<hr/>	<hr/>
	2,411,657	2,399,324
Revenue from similar sources for credit to the Mallee Land Account ..	91,002	96,738
Repayments of principal by settlers under the Closer Settlement Acts ..	257,283	202,629
Interest payments by settlers on Loan Liabilities under the Closer Settlement Acts	101,124	89,460
Repayments of principal—Other Advances	3,615	2,054
Interest on Other Advances	2,359	1,474
Licences to occupy water frontages—for credit to the Rivers and Streams Fund	99,164	97,953
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	344,614	406,314
Miscellaneous Receipts including rental Ballarat Guncotton Factory, admission to Buchan Caves, sales of government and other property and rentals of departmental houses, etc.	131,615	154,850
Survey Fees, &c.	44,392	46,994
Premiums for credit to the Insurance Fund	19,541	17,358
Moneys for specific purposes including funds made available by Wool and Wheat Research Committees, &c., for credit to Treasury Trust Accounts	69,720	71,770
Collections on account of North West Mallee Water Rates and Wire Netting Cash Sales	37,649	23,985
Road Loading Charges—Improvement Purchase Leases	10,926	10,359
Receipts on account of Assurance Fund	1,863	1,338
	<hr/>	<hr/>
	3,626,524	3,622,600
	<hr/>	<hr/>

The two most significant differences between the two years were an increase in recoups on account of services, &c., of \$61,700, and a decrease in repayments of principal by settlers of \$54,654.

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 \$3,893,560 compared with \$3,711,428 in the previous year.

LOAN EXPENDITURE.

Expenditure from Loan Fund, \$2,229,512, was in excess of that of the previous year by \$135,390. Comparative details are :—

	1967-68.	1968-69.
	\$	\$
Vermin and Noxious Weeds Branch—		
Functional Expenditure	1,778,811	1,901,314
Purchase of Equipment, Tools, &c.	172,887	186,357
	<u>1,951,698</u>	<u>2,087,671</u>
Construction of Roads—		
Under Part V. of <i>Land Act</i> 1958 in South Western Mallee ..	49,447	50,000
Other—Under <i>Land Act</i> 1958	1,199	2,988
	<u>50,646</u>	<u>52,988</u>
Survey Branch—Purchase of Vehicles, Machines, Equipment, &c. ..	49,999	49,999
Tostaree Pilot Farm—		
Establishment of farm and expenditure incidental thereto ..	1,611	1,810
Buchan Caves—Remodelling, &c.	30,902	35,098
Other Expenditure	9,266	1,946
	<u>2,094,122</u>	<u>2,229,512</u>

TRUST FUND EXPENDITURE.

Disbursements by the Department from Treasury Trust Funds included :—

(i) \$78,615 from joint Commonwealth—Industry Research Funds, namely :—

	\$
Vermin (Rabbit) Control	34,399
Skeleton Weed Control	24,373
Blackberry Control	2,701
Fox and Dingo Control	17,142
	<u>78,615</u>

(ii) \$11,930 in meeting claims and administrative expenses on account of the Closer Settlement Insurance Fund.

(iii) \$76,670, expenditure on account of Commonwealth Grant—Drought Relief 1967 Trust Account.

CLOSER SETTLEMENT.

The Revenue Account for the year under the *Closer Settlement Act* 1938 disclosed a deficit of \$2,016,640 and the accumulated deficit on account of the settlement scheme, the subject of the provisions of that Act, was, as a result, increased to \$121,377,705.

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 (i) Closer Settlement lessees, (ii) farmers who have received advances for improvements and (iii) 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, 1968 ..	676,567	Claims paid	6,721
Premiums received ..	17,358	Administration expenses ..	5,209
	<u>693,925</u>	Balance at 30th June, 1969 ..	681,995
			<u>693,925</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 1968-69 amounted to \$8,799,057. 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 :—

	1967-68.		1968-69.	
	\$	\$	\$	\$
Crown Law Offices and Crown Solicitor's Office ..		2,037,681		2,048,817
Courts—				
Administration	2,806,953		2,961,149	
Allowances to Witnesses	130,491		134,227	
Payments to Jurors	329,996		436,381	
Professional Assistance	159,999		209,215	
Court Reporting	139,999		188,000	
Other Costs	215,109		229,984	
		<u>3,782,547</u>		<u>4,158,956</u>
Office of the Public Trustee		609,661		709,140
Titles Office		1,527,931		1,620,851
Companies Registration Office		243,582		261,293
		<u>8,201,402</u>		<u>8,799,057</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 1967-68 and 1968-69, with the exception of fees and commissions collected in the Office of the Public Trustee, were :—

	1967-68.	1968-69.
	\$	\$
Fees, Titles Office	2,236,027	2,377,304
Fees, Registrar of Companies	1,536,474	1,759,787
Fees, Registrar-General	135,337	142,803

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 \$2,776,375 representing the cost of erection of, and alterations and improvements to, buildings and properties under the control of the Department. This amount included \$2,367,232 in respect of the Civil and Criminal Courts building 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 :—

	1967-68.	1968-69.
	\$	\$
Local Government—		
Salaries and Allowances	283,380	310,113
Overtime and Penalty Rates	7,738	9,653
Travelling (including Motor Vehicles)	17,766	19,524
Fees and Expenses—Boards and Committees	20,959	34,968
Other Administrative Expenses	36,880	42,998
Town and Country Planning Board—		
Salaries and Allowances	121,613	151,648
Other Administrative Expenses	14,950	23,134
Weights and Measures—		
Salaries and Allowances	140,328	159,658
Overtime and Penalty Rates	1,506	638
Travelling (including Motor Vehicles)	30,164	38,829
Materials and Equipment	4,644	7,277
Other Administrative Expenses	6,642	9,962
	686,570	808,402

REVENUE.

Revenue for the year amounted to \$103,520 compared with \$103,162 in the previous year. Details are shown in the following statement :—

	1967-68.	1968-69.
	\$	\$
Charges for Departmental Services—		
Municipal Auditors' Board Fees, &c.	3,152	2,212
Weights and Measures Branch	90,845	88,788
	93,997	91,000
Sale of Property Sales Information	8,145	11,249
Miscellaneous	1,020	1,271
	103,162	103,520

LOAN EXPENDITURE.

Payments to municipalities and other public bodies amounting to \$1,011,021 were made from Loan Fund during 1968-69 for works and other purposes as shown hereunder :—

	\$
Drainage Works	277,219
Small Drains	238,583
Swimming Pools and Accessories	159,487
Sale-yards, Markets, &c.	61,752
Public Halls and Amenities	124,974
Beach Cleaning	55,344
Special Grants for Fire Roads, &c.	39,315
Special Recreation Reserves	5,995
Other Capital Works, &c.	48,352
	1,011,021

In addition to the above expenditure, loan moneys totalling \$409,196 were applied towards :—

	\$
<i>Ex-gratia</i> Payments to Municipalities—Private Street Construction adjacent to buildings owned by State authorities	373,907
Weights and Measures Branch—Equipment, &c.	35,289
	409,196

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.

The *Extractive Industries Act* 1966, proclaimed to operate from 15th May, 1968, provided for extractive industry licences to be granted by the Minister of Mines for periods not exceeding fifteen years at annual rentals in the range \$2 to \$10 for every acre or part thereof. Rents received during 1968-69 are shown below.

COLLECTIONS.

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

	1967-68.	1968-69.
	\$	\$
Land Revenue—		
Mining Leases, Rents, &c.	241,260	193,841
Extractive Industries, &c. .. .. .	..	122,767
Other .. .. .	..	2,003
	<hr/>	<hr/>
	241,260	318,611
Boring and Crushing Fees	45,060	48,625
Explosives Licences and Fees	19,135	34,250
Sale of Government Property	34,468	22,423
Repayment of Loans	2,344	21,349
Sundries	4,205	5,517
	<hr/>	<hr/>
Total Collections	346,472	450,775

EXPENDITURE.

Payments from revenue in those years were :—

	\$	\$
<i>Administration—</i>		
Salaries	689,210	743,072
Overtime and Penalty Rates	2,908	2,496
Travelling and Subsistence	14,207	20,656
Motor Vehicles—Purchase and Running Expenses	29,043	35,856
Other Administrative Expenses	65,744	82,268
	<hr/>	<hr/>
	801,112	884,348
<i>Miscellaneous—</i>		
Maintenance, &c., State Batteries	3,339	3,496
Boring for Water, Coal and other Minerals, &c.	214,826	266,366
Geological Survey	13,994	15,000
Laboratory Expenses	4,370	5,699
Covering Abandoned Shafts	9,086	14,986
Surveys for Mineral Deposits	28,909	29,994
Advances for Gold Mining	10,000	10,000
Contribution to Coal Utilization Research	10,000	10,000
	<hr/>	<hr/>
Total Expenditure	1,095,636	1,239,889

NET COST.

The net cost to Consolidated Revenue for the year under review was \$789,114, which compares with \$749,164 for 1967-68.

Included in the departmental payments in 1968-69 is expenditure, estimated by the Department to be \$665,506, 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 \$194,124 were applied towards the cost of Drilling Plant, &c.

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 :—

	1967-68.	1968-69.
	\$	\$
Public Works Administration—		
Salaries	3,543,574	3,781,555
Overtime and Penalty Rates	80,504	94,189
Travelling and Subsistence	193,677	211,840
Other Administrative Expenses	359,472	416,308
Total Administration	4,177,227	4,503,892
Works and Buildings—Maintenance, Repairs, &c.	1,119,925	1,150,000
Rents and Allowances	780,067	903,783
Other Services	811,521	993,430
	6,888,740	7,551,105
Ports and Harbors Administration—		
Salaries	255,822	286,444
Overtime and Penalty Rates	10,792	11,936
Travelling and Subsistence	35,421	39,218
Other Administrative Expenses	13,890	17,670
Total Administration	315,925	355,268
Wharves and Jetties—Maintenance, Repairs, &c.	106,421	106,322
Contribution to Portland Harbor Trust	760,000	616,000
Westernport—Operating Expenses	368,037	367,943
Other Services	120,131	118,924
	1,670,514	1,564,457
Total Public Works Department	8,559,254	9,115,562

Included in the item, Public Works—Other Administrative Expenses, \$416,308, is expenditure in respect of a firm of Management Consultants amounting to \$41,112 for fees, &c., covering Phases I and II of an approved project for the review and reorganization of this Department. Expenditure to 30th June, 1969, totalled \$48,672 against an estimate for the complete project of \$108,000.

Works financed from Loan Fund or from Trust or Special Funds and carried out under the supervision of the Department were subject to an oncost charge, approved by the Treasury, to cover the departmental expenses involved in the design, supervision and administration of the works. The approved rate was 12·92 per cent. but, in some instances, a lower rate was applied.

The use of this lower rate on specific schemes or, as is also the practice, the total exclusion from the oncost calculation of certain projects subject to outside consultants, tends to increase the range of fluctuation, from year to year, in the rate needed to recover, over the remaining works, the incurred costs. Recoups to Consolidated Revenue on the basis of these and other charges amounted to \$4,664,836. The comparable figure for 1967-68 was \$4,095,172 when the rate charged for design, supervision and administration was 11·99 per cent.

Expenditure from Loan Fund amounted to \$51,401,385, and from Trust and Special Funds \$9,334,032, a total of \$60,735,417, compared with a total of \$58,163,810 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	2,767,284
Foreshore Protection, Wharves and Jetties	281,286
Dredging, Blasting and Navigational Aids	1,055,584
Vessels for Dredging	159,093
Works and Services—Westernport	3,096,344
Plant for departmental purposes	56,974

Public Offices (\$2,767,284).—This expenditure includes progress payments made to the contractor and professional fees paid to consultants amounting in all to \$929,246 on account of the State Offices complex in course of erection in the Treasury Reserve. Included is expenditure of \$107,274 for furniture. The supply of furniture from various sources for the New State Offices and Laboratories amounting to \$81,914 without public tenders being invited or contracts taken was approved by Order in Council.

Works and Services—Westernport (\$3,096,344).—Expenditure under this heading includes :—

Westernport (Oil Refinery) Act 1963, \$115,903. \$

Details of expenditure in terms of this Act are :—

B.P. port development	109,879
Dredging and shipping channels	5,411
Miscellaneous	613
	115,903

Westernport Development Act 1967, \$2,980,441.

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 \$2,869,374 was expended on jetty construction for this project during 1968–69.

The remainder of this item, \$111,067 was for :—

Navigation Aids	50,604
Reconstruction of Berthing Dolphin	49,110
Sea Bed Investigations and Harbor Facilities	11,353

Damage to the No. 1 berthing dolphin (B.P. Jetty), during the berthing of an 80,000 D.W.T. tanker, was so extensive underwater that, in the opinion of the consultant engineers, the structure required replacement at an estimated cost of \$270,000. In the year under review, expenditure on this item amounted to \$49,110.

The question of indemnity under the State's insurance cover has not yet been resolved.

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	1,355,733
(ii) Advanced Education	4,659,626
(iii) Science Laboratories and Equipment	1,265,533
(iv) Teachers' Colleges	1,517,242
	8,798,134

Particulars of total expenditure from the above accounts are shown in Part V.

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 Commonwealth Aid Roads and Works Acts, certain funds have been made available for expenditure on works, other than road works, directly connected with transport by road or water.

From the allocation of \$389,565 in 1968–69 in terms of the *Commonwealth Aid Roads Act* 1964, and a balance of \$14,563 carried forward from the previous year, the State disbursed \$404,128, making a total of \$7,501,626 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, 1969, the position of this Account was :—

	\$
Cash funds available—held by Treasury	326,549
Value of stores on hand	278,871
Issues pending recoupment	42,412
	<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, 1969, the net balance of the Fund was \$462,672.

Agency and Other Trust Funds.

Expenditure on projects from this source amounted to \$1,292,764. Major works carried out by the Department as agent included projects for :—

	\$
Horsham Wheat Research Institute	93,377
Milk Board	74,696
Royal Brighton Yacht Club	20,274
Werribee Research Farm	40,659
Tidal River National Park	22,742
Buchan "Fairy" Caves	22,200
High School Assembly Halls	143,525
Technical School Assembly Halls.. .. .	207,860

RAILWAYS AND STATE COAL MINE.

Railways.

In the year under review, railway operating expenses exceeded railway income by \$17,630,594.

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 1968-69 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. .. .. .	..	..105,493,013
Renewals and Replacements Fund .. .. .	..	.. 400,000
Pensions and Superannuation Contributions .. .. .	..	.. 5,451,189
Interest, Sinking Fund, Exchange .. .. .	..	.. 6,614,909
Total Expenditure .. .. .	..	..117,959,111
 This was provided by—		
Ordinary Income .. .. .	..	99,815,760
General Revenue—		
For country freight charge concessions	286,000	
For concessions to pensioners	200,000	
For losses on Kerang-Koondrook line	26,757	
	<hr/>	512,757
Deficit charged to Consolidated Revenue .. .. .	..	17,630,594
		<hr/>
		117,959,111

According to the accounts in the Railway records, there was a deficit of \$17,368,232. 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 Accounts .. .. .	..	17,630,594
Revenue outstanding (net) at—		
30th June, 1969	4,854,772	
30th June, 1968	4,592,410	
	<hr/>	262,362
Deficit, as shown in Railway Accounts .. .. .	..	17,368,232

Railway operating expenses, comprising working expenses, superannuation contributions, pensions and debt charges as defined in the Railways Act, amounted to \$117,959,111. This sum exceeded the Budget estimate by \$2,439,119 and, on a comparable basis, was in excess of the previous year by \$7,008,488.

Working Expenses, &c.

Depreciation.—The depreciation for the year was assessed at \$7,435,807, but only \$586,936 was charged against working expenses. The latter sum, plus \$399,356 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 \$6,848,871 for the year, bringing the accumulated sum of such under provisions to \$80,783,914 at 30th June, 1969.

However, renewals and replacements provided from the sales of materials totalled \$6,553,175 to 30th June, 1969, 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 increased by 28,311 days in 1968–69 and the estimated liability increased from \$4,306,025 as at 30th June, 1968 to \$5,068,532 as at 30th June, 1969. 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.

Violet Town Collision.—In connection with the collision between the Southern Aurora and a goods train near Violet Town on 7th February, 1969, working expenses were charged with \$72,000 for repairs to wagons and with \$35,000 for the hire of replacement carriages from the Commonwealth Railways.

Contracts have been entered into, also, for the restoration of two locomotives \$386,000, and for the construction of new carriages, \$935,000, although no payments thereunder had been made to 30th June, 1969.

Claims amounting to \$80,937 for medical expenses and for luggage and goods lost or damaged were paid during the year from the Railway Accident and Fire Insurance Fund.

Other claims, including claims in respect of loss of life, are pending.

Maintenance Works from Drought Relief Funds.—Expenditure of \$142,325 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 1968–69 transactions through the Fund is as under :—

	\$
Special Appropriation—Act No. 6355	400,000
Depreciation on rail motors and road motors, &c.	186,936
Sundry sales and abolitions, &c.	399,356
	<hr/>
	986,292
Less renewals and replacements during the year	986,292
	<hr/>
Balance at 30th June, 1969	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 \$100,328,517 which was \$6,963,483 less than the Budget estimate, but, \$1,542,272 more than the result for 1967–68.

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

	1967-68.	1968-69.
	\$	\$
Passengers	30,274,786	30,452,230
Parcels, &c.	3,094,826	2,915,958
Mails	979,307	1,097,608
Miscellaneous	103,647	234,940
Goods and livestock, &c.	57,800,647	58,527,854
Rents and general miscellaneous	2,310,872	2,511,049
Dining car and refreshment rooms services	3,450,713	3,467,119
Advertising	234,130	233,777
Bookstalls	1,051,978	1,061,209
Road motor services	62,216	62,378
	<hr/>	<hr/>
	99,363,122	100,564,122
	<hr/>	<hr/>

Treasury recoups—\$30,393 in 1967-68 and \$26,757 in 1968-69 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 two years :—

	1967-68.	1968-69.
	\$	\$
Way and Works	10,316,661	10,679,956
Rolling-stock, Equipment, &c.	6,250,143	5,813,574
Construction of new lines	47,287	332,866
	<hr/>	<hr/>
	16,614,091	16,826,396
	<hr/>	<hr/>

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 1968* a sum of \$50,000. Under this and prior authorities, sums amounting to \$415,102 had been expended up to and inclusive of 30th June, 1969.

Melbourne Yard Rearrangement.—Expenditure during the year amounted to \$3,736,653 bringing the total recorded to date to \$9,586,944. The year's expenditure included a sum of \$10,050 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, 1968 and 1969 is as under :—

	1968.	1969.
	\$	\$
Rolling-stock, Plant, &c., at cost less depreciation provided ..	431,226,453	449,274,177
Stores and Materials	7,274,233	8,448,104
Partly-manufactured Articles	702,116	810,737
Refreshment Services, Stock and Equipment less provision for losses	733,905	736,033
Discounts and Expenses on Loans	6,830,652	6,938,928
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	5,962,187	5,797,517
Railways Stores Suspense Account	2,604,957	1,827,937
Railways Repayment Account	11,956	15,412
Advances to Agent-General	116,286	44,935
Trust Securities	3,376,546	4,125,877
Cash at Stations and in Transit	631,388	458,450
Cash Advances	1,872,199	2,619,115
Revenue Debtors	4,726,792	5,008,009
Sundry Debtors	1,212,894	1,244,159
Accumulated Loss	154,270,752	171,638,984
	<u>622,803,316</u>	<u>660,238,374</u>
	1968.	1969.
	\$	\$
Loan Liability*	343,132,442	356,136,170
Funds for—		
Uniform Railway Gauge Works	30,920,973	30,825,136
Level Crossings Fund—Act No. 6229	5,934,429	6,801,361
Commonwealth Grant—Drought Relief	372,106	647,111
Installation of Boom Barriers .. .. .	..	74,704
Special Works—Commonwealth Grant	1,172,000	1,172,000
Other Special Purposes	11,903,129	11,903,129
National Debt Sinking Fund Reserve	54,093,071	57,972,374
Uniform Railway Gauge Sinking Fund Reserve	679,027	774,864
Railway Accident and Fire Insurance Reserve	200,000	200,000
Advances from the Public Account	1,668,398	2,501,279
Sundry Creditors	10,476,076	10,595,200
Trust Securities	3,388,502	4,141,290
Consolidated Revenue, &c.	158,863,163	176,493,756
	<u>622,803,316</u>	<u>660,238,374</u>

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

Discounts and Expenses on Loans.

The amount, \$6,938,928, at which these capitalized costs of loan flotations appear among the debit balances, is higher than the previous year by \$108,276. 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 \$2,115,823 charged against working expenses to meet the following expenditure in 1968–69. The expenditure in 1967–68 is also shown :—

	1967–68.	1968–69.
	\$	\$
Damages recovered by non-employees at law	51,057	17,724
Damages paid to non-employees without legal action	79,116	63,116
Compensation for injuries to employees	1,075,970	1,123,562
Compensation for goods lost or damaged	317,186	353,766
Compensation for losses by fires caused by railway operations	2,433	78,330
Losses by fire to railway property	214,326	479,325
	<u>1,740,088</u>	<u>2,115,823</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, 1969, there was a credit balance of \$5,797,517 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 .. .. .	..	..	..	..	..	..	3,758,317
Taxation Deductions, &c. .. .. .	..	..	..	..	..	..	824,692
Sundry Creditors for various services .. .. .	..	..	..	..	..	..	1,257,179
Revenue rebates and refunds due .. .. .	..	..	..	..	..	..	733,330
Amounts received in advance for works .. .. .	..	..	..	..	..	..	310,023
							<u>6,883,541</u>
Debits—							\$
Expenditure on works for other bodies, &c. .. .. .	..	..	..	..	..	..	928,223
Sundry Debtors for sales and services .. .. .	..	..	..	..	..	..	150,553
							<u>1,078,776</u>
							5,804,765
Less—Amount transferred to Income .. .. .	..	..	..	..	..	..	7,248
							<u>5,797,517</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, 1969, 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 .. .. .	..	..	..	..	..	..	8,448,104
Less Creditors for stores purchased .. .. .	..	..	..	..	..	..	1,440,023
							<u>7,008,081</u>
Railways equity in the stock .. .. .	..	..	..	..	..	..	130,497
Stores sold and proceeds not collected .. .. .	..	..	..	..	..	..	33,485
Advances to the Agent-General, London .. .. .	..	..	..	..	..	..	<u>7,172,063</u>
							1,827,937
Balance held at Treasury .. .. .	..	..	..	..	..	..	<u>9,000,000</u>

The item, Stock on hand, \$8,448,104, 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 continued during the year. As at 30th June, 1969, the records of all major storehouses were being processed by a leased computer. Operation of the system revealed some practical weaknesses which are now being remedied. Consequently the values placed on a number of stores items at 30th June, 1969, will require adjustment.

The balance held at the Treasury includes an amount of \$243,921 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 :—

					\$	\$
Losses on reduction of values of stores	..	..	..	..	35,056	..
Costing adjustments—manufactured items	..	..	..	..	..	811
Losses on sales of safety footwear	..	..	..	..	10,457	..
Sales of materials—profits	..	..	..	..	..	29,189
Amount charged to Working Expenses	..	..	..	..	..	15,513
Adjustments—Stores invoices	..	..	..	..	5,863	..
Balance carried forward	..	..	..	..	..	5,863
					<u>51,376</u>	<u>51,376</u>

Debtors.

The amounts outstanding at 30th June, 1968 and 1969, are shown :—

					1968.	1969.
					\$	\$
Revenue services rendered	..	..	..	..	4,726,792	5,008,009
Works	..	..	..	..	815,952	928,223
Sales of general stores	..	..	..	..	134,941	133,087
Sundry sales and services	..	..	..	..	217,907	150,554
Sales of land	..	..	..	..	44,094	32,295
					<u>5,939,686</u>	<u>6,252,168</u>

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 \$866,932 in the year 1968-69, was \$6,801,361 to 30th June, 1969. This latter amount is included in the balance-sheet as part of the total expenditure on capital works.

Commonwealth Grant—Drought Relief.

An amount of \$275,005 provided from the Commonwealth Grant—Drought Relief 1967 Trust Account was spent on capital projects. As mentioned earlier, an additional \$142,325 was expended from the same source on maintenance works.

Sundry Creditors.

A classification under broad headings at 30th June, 1968 and 1969, is shown :—

					1968.	1969.
					\$	\$
Stores purchased for railways	..	..	..	..	1,074,336	1,440,023
Stores purchased for refreshment services	..	..	..	..	97,310	145,057
Salaries and wages accrued	..	..	..	..	3,286,618	3,758,317
Income Tax Commissioner, &c.	..	..	..	..	484,119	824,692
Accounts for various services	..	..	..	..	1,432,484	1,257,179
Revenue rebates and refunds	..	..	..	..	1,411,961	733,330
Payments in advance for works	..	..	..	..	369,187	310,023
Payments in advance for revenue services, &c.	..	..	..	..	765,770	611,687
Cash accounts overdrawn	..	..	..	..	1,554,291	1,514,892
					<u>10,476,076</u>	<u>10,595,200</u>

The item, "Salaries and wages accrued", largely comprises pay accrued from 15th to 30th June, 1969.

State Coal Mine—Wonthaggi.

The *State Coal Mines (Winding Up) Act 1968* made provision for the closing of the State Coal Mine at Wonthaggi as on and from 1st January, 1969, and for the disposal of the property used for coal mine purposes.

The mine closed on 31st December, 1968, and recovery of materials and realization of assets proceeded. Operations at Wonthaggi finally ceased on 21st March, 1969.

Statements of Account were prepared for the period 1st July, 1968, to 31st December, 1968, and these are summarized hereunder :—

WORKING ACCOUNT AND PROFIT AND LOSS ACCOUNT, 1ST JULY, 1968 TO 31ST DECEMBER, 1968.

<i>Expenditure—</i>	\$
Working Expenses	285,859
Contribution to Pension Funds*	5,938
Contribution to Accident Fund	51
Pay-roll Tax	4,471
Depreciation	2,450
	298,769
<i>Revenue</i>	113,686
	185,083
Loss on Operations	185,083
Add Payments in lieu of Long Service Leave	125,638
„ Severance Pay	192,179
	502,900
Deficit	502,900

* A further amount of \$17,163, being recoup of Pensions charged to Special Appropriations, was not included in the State Coal Mine Accounts until June 1969.

BALANCE SHEET.

A statement of the State Coal Mine balances as at 31st December, 1968, follows :—

	\$
Works, Machinery and Plant at cost	
<i>Less depreciation</i>	493,373
Realization Account	45,144
Stores and Materials	553
Discount and Expenses on Loans	1,282
Depreciation Fund (at Treasury)	73,752
Cash on hand and in transit	73,372
Deposits on contracts	509
Sundry Debtors	21,864
Accumulated Loss	11,746,994
	12,456,843
National Recovery Loan (non-interest bearing)	49,000
Advances from Public Account	357
Sundry Creditors	185,654
Depreciation Fund Interest Reserve	235,220
Sinking Fund	708,000
Advances from Consolidated Revenue	11,278,612
	12,456,843

Accounts for the realization and the formal closing of the records are in course of preparation.

Works, Machinery and Plant.

The item, Works, Machinery and Plant, \$493,373, 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, the disposal of which commenced in 1967-68. The book value of the latter assets was transferred to the Realization Account.

Realisation Account.

During the half year, this account was credited with sales of plant, \$235, and compensation by the State Electricity Commission, \$1,850. The book value of stores returned to the Railways for disposal, \$10,230, was debited to the account.

Cash.

The amount of \$73,372 is the balance at 31st December, 1968, of amounts advanced by the Cashier, Victorian Railways, for the purposes of meeting severance pay and payments in lieu of long service leave.

Sundry Creditors.

This item includes the liability outstanding for severance pay and for payments in lieu of long service leave, \$107,991, and cash advances from the Railways Cashier, \$73,372.

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 1966-69 is given in the table hereunder :—

—	Receipts, Including Recoups.	Expenditure.			Cash Deficit.	Loan Expenditure.
		General.	Debt Charges.	Total.		
	\$	\$	\$	\$	\$	\$
1966-67	13,428,611	10,644,309	16,891,366	27,535,675	14,107,064	17,178,826
1967-68	13,812,341	11,235,522	17,905,928	29,141,450	15,329,109	16,954,634
1968-69	14,245,602	11,561,797	18,901,443	30,463,240	16,217,638	18,096,803

As the summary indicates, there was, in 1968-69, an increase in expenditure of \$1,321,790 (including an increase of \$995,515 in debt charges) offset by an increase in revenue of \$433,261. Thus the net increase in the cash deficit between 1967-68 and 1968-69 was \$888,529.

REVENUE.

A summary of the revenue from rates and charges for the supply of water for the period 1966-69, 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.		
	\$	\$	\$	\$	\$
1966-67	2,487,601	6,983,269	10,703,188	9,405,065	1,298,123
1967-68	2,256,660	7,142,905	10,697,688	9,497,238	1,200,450
1968-69	2,322,270	7,421,494	10,944,215	9,594,001	*1,350,214

Variation in rates had little effect on revenue compared with the previous year. Water sales and amounts collectable from Districts rose slightly. Arrears at 30th June, 1969, increased by \$149,764 compared with 1968, and Irrigation Districts accounted for \$145,577 of this increase. Unfavourable conditions, resulting in crop losses, caused many 1968-69 charges to be deferred. Payment is to be made over the next two years.

The following statement of the percentage of total current assessment received during the year indicates the degree of effectiveness of district collections. Sundry Head Office collections are excluded.

	1968-69.
	%
Coliban Districts	87
Irrigation Districts	89
Waterworks Districts	92
Urban Districts	82
Flood Protection Districts	93

A dissection of the total collectable sum and the amount thereof owing at 30th June, 1969, is given in the statement hereunder :—

	Total Collectable Sum.	Arrears 30.6.69.
	\$	\$
Coliban Districts	744,205	96,738
Irrigation Districts	5,300,811	550,599
Waterworks Districts	1,537,435	122,360
Urban Districts	2,813,172	530,081
Flood Protection Districts	99,376	9,336
Sundries	449,216	41,100
	10,944,215	*1,350,214

* Subject to adjustment in 1969-70.

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 :—

	1966-67.	1967-68.	1968-69.
	\$	\$	\$
From Oncost—			
On loan expenditure at $9\frac{1}{11}$ per cent. on \$10,309,189 in 1966-67 ; at 10 per cent. on \$10,584,351 in 1967-68 ; and at 10 per cent. on \$10,088,269 in 1968-69 ..	944,901*	1,058,435	1,008,828
At various rates (1 to 6 per cent.) on loan expenditure : \$1,659,977 in 1966-67 ; \$1,033,878 in 1967-68 ; and \$1,629,767 in 1968-69	74,542	57,099	82,845
On other funds	94,616	199,172	175,284
From Repayments on account of works temporarily financed from Consolidated Revenue	232,742	267,794	291,757
From Salary recoups—River Murray Commission and other funds	1,164,702	1,184,836	1,212,360
	<u>2,511,503</u>	<u>2,767,336</u>	<u>2,771,074</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 1968-69 is expenditure estimated to have amounted to \$321,615 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 \$159,400 in terms of the *States Grants (Water Resources Measurement) Act 1967*.

Also included in the loan expenditure for the year 1968-69 is a sum of \$12,701,881 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 ..	3,776,483
Lake Mokoan Diversion weir on Broken River, channel to the Winton Swamp, and construction of storage reservoir at that site, on Hollands Creek ..	2,037,476
Lake Merrimu First stage storage of 1,500 acre feet on Coimadai Creek to augment supplies for Werribee Irrigation District	1,874,449
Mornington Peninsula System The extension of pipelines and reticulation ..	1,667,735

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>	774,027
<i>States Grant (Drought Reimbursement) Act 1968</i>	61,785
<i>Victoria Grant (King River Dam) Act 1969</i>	4,827

OTHER FUNDS AND ACCOUNTS.

Irrigation Districts Maintenance Equalization and Renewals Account.

The main purpose of this Account is to provide moneys to defray 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 1968-69, the necessary sum, \$780,902, was provided from Loan Fund.

Stores Suspense Account.

Up to and inclusive of 30th June, 1969, 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, 1969, the balance at credit of the Water Supply Stores Suspense Account is shown as \$530,686. This amount is represented in the Commission's accounts by :—

	\$
Balance available for purchases of stores, &c.	436,569
<i>Plus</i> Credit Balances of Hire Plant Accounts	94,117
	<hr/>
Balance—Water Supply Stores Suspense Account	530,686
	<hr/>

The balances of Hire Plant Accounts, which can fluctuate from year to year, result from credits from plant hire charges made against works expenditure authorities, together with amounts from Plant and Machinery Adjustment Account which are cleared within each financial year. The balances in these accounts have been reduced from \$814,732 at 30th June, 1965, to \$94,117 at 30th June, 1969, due to expenses (repairs and maintenance, running costs, &c.,) exceeding hire earned during these years. To retain an effective operating balance in the accounts, a more even matching of hire charges with the expenses involved appears necessary.

According to Commission records, the book values of plant, tools and general stores at 30th June, 1969, were :—

	Plant.	Tools and Stores.
	\$	\$
At Construction Works	194,235	420,579
Stores Suspense Accounts (Depots)	231,148	1,549,366
At Central Plant Workshops (Suspense Accounts)	40,290	214,639
At Central Plant Workshops pending transfer or disposal.	57,791	103,482

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 \$197,598. The capital liability at 30th June, 1969, in respect of this class of plant and machinery was \$3,746,916.

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, 1969, the balance in the Fund for the replacement of hire plant and machinery was \$1,847,131.

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 1968-69 was \$477,346. However, in recent years, no payment has been made to the Fund and, at 30th June, 1969, no balance was held in the Fund. At the same date, the balance of the Account was \$5,417,750.

Rivers and Streams Fund.

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

Payments into the Fund totalled \$138,124 and expenditure amounted to \$165,471. The balance at the close of the year was \$148,546.

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 1968-69 on these works amounting to \$725,370.

In 1968-69, under the authority of *Water Supply Loan Application Acts Nos. 7654 and 7743*, Victoria contributed \$323,725 for the construction of works, bringing the State's total contribution for construction as at 30th June, 1969, to \$13,597,615. The contribution from Consolidated Revenue for maintenance and administrative expenses amounted to \$250,000.

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 \$442,097 and expenditure, including refunds of contributions, amounted to \$381,993. The balance in the Account at the close of the year was \$418,455.

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 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 loans raised by the Trusts is recouped by the State. Expenditure under this heading for the year was \$53,142.

In 1968-69, advances to various Trusts by the State amounted to \$2,469,960. Repayments on account of advances amounted to \$150,013, and certain Trusts were relieved of liability to the extent of \$611,458. 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 \$1,708,489.

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 1968-69, six Waterworks Trusts were so assisted and the amount involved was \$8,872.

River Improvement Trusts.

To 30th June, 1969, 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 loans raised by the Trusts is recouped by the State. The amount provided by the State in 1968-69 for this purpose was \$2,692.

Advances by the State in 1968–69 totalled \$500,000. Repayments in respect of advances amounted to \$2,198 and certain Trusts were relieved of liability to the extent of \$524,991 which the Governor in Council directed be borne by the State, so that the net decrease in the Trusts' indebtedness for State loans was \$27,189.

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 \$1,324,607.

Advances by the State in 1968–69 totalled \$934,000. Repayments in respect of advances amounted to \$19,498 and certain Authorities were relieved of liability to the extent of \$885,001 which the Governor in Council directed be borne by the State, so that the net increase in the Authorities' indebtedness for State loans was \$29,501.

In addition, the State advanced \$570,000 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 1968–69 totalled \$13,854 of which \$12,165 or 87·8 per cent. was paid during the year. Costs chargeable to the district amounted to \$10,907 plus depreciation, \$1,996. During the year, this amount of \$1,996 was transferred from Consolidated Revenue to the Eildon Sewerage District Depreciation Fund. At 30th June, 1969, the balance of the Fund was \$15,375.

Lake Corangamite Improvement Account.

This account was established under Section 7 of the *Lake Corangamite Act* 1966 to receive rents, fees and other amounts derived from any lease or licence granted over land previously inundated and surrendered to the Crown. The moneys in the Account may be applied towards costs of works connected with the control of Lakes Corangamite, Gnarpurt and Murdeduke.

Revenue received during 1968–69 was \$71.

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

TOURIST FUND.

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

1967-68	Credits.	1968-69.
\$		\$ \$ \$
291,283	Balance forward	194,273
	Contributions—	
517,430	From-Country Roads Board Fund	536,107
	Consolidated Revenue—	
330,000	Premier's Department Vote	341,000
204,800	Railway Working Expenses	190,000
		531,000
71,000	Under Public Works Loan Application Acts	53,000
1,465	By Municipalities towards cost of motor boating facilities	714
		1,120,821
155,824	Commissions, &c. received from Tourist Bureaux operations	168,025
143,244	Motor Boat Registration Fees and Fines (Net)	241,307
	Less Costs and Expenses of Collection and Administration	111,388
		129,919
15,313	Interest on Loans to certain Bodies	20,437
16,659	Loan Repayments	21,658
1,747,018		1,655,133
	<i>Disbursements.</i>	
410,026	Developmental and Maintenance works authorized under the Act	372,057
52,948	Advances to Public Works Department—Mt. Dandenong Project*	5,725
91,762	Publicity—net (excluding Tourist Bureaux advertising, &c.)	58,506
81,911	Loans to certain Bodies	35,118
122,598	Provision of motor boating facilities	84,550
	Costs and administrative expenses—	
59,209	Head Office	59,394
734,291	Tourist Bureaux	748,643
		808,037
		1,363,993
194,273	Balance at the close of the year—General	126,473
	Motor Boating	164,667
		291,140
1,747,018		1,655,133

* \$10,118 unexpended as at 30th June, 1969 on account of advances in 1968-69 and prior years.

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 1967-68 and 1968-69 and shows the accounts in the Treasury to which the collections for 1968-69 were credited :—

Location.	Account Credited—1968-69.					Total Collections.	1967-68 Total Collections.
	Railway Income.	Tourist Bureaux Trust Account.	Tourist Fund.	Revenue—Miscellaneous.	Treasury Trust—Unclaimed Moneys, &c.		
	\$	\$	\$	\$	\$	\$	\$
Head Office ..	..	169,295	273,073	753	426	443,547	380,806
Tourist Bureaux—							
Melbourne ..	1,337,597	1,234,183	..	..	..	2,571,780	2,552,314
Sydney ..	62,473	102,559	..	..	..	165,032	163,460
Adelaide ..	71,968	186,859	..	..	..	258,827	233,465
Brisbane ..	26,978	55,695	..	..	..	82,673	90,989
Ballarat ..	29,153	147,211	..	..	..	176,364	143,541
Bendigo ..	23,791	199,955	..	..	..	223,746	208,079
Geelong ..	35,100	148,187	..	..	..	183,287	187,822
Mildura ..	9,143	46,638	..	..	..	55,781	31,526
	1,596,203	2,290,582	273,073	753	426	4,161,037	3,992,002

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, 1969, was \$605,780.

TRANSPORT REGULATION FUND.

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

1967-68.		1968-69.
\$		\$ \$
	<i>Receipts.</i>	
200,178	Balance of Transport Regulation Fund at 1st July	258,033
751,603	Licence Fees and Additional Fees on Licences	772,246
84,050	Licence Transfer Fees	94,942
874,852	Permits—Goods and Passenger	892,271
14,732	Drivers' Certificates	17,833
11,666	Metropolitan Omnibus Registration Fees	10,184
239,868	Fines	264,324
22,633	Miscellaneous Receipts	24,325
		2,076,125
2,199,582		2,334,158
	<i>Payments.</i>	
1,540,221	Salaries and Overtime (Including Pay-roll Tax, &c.)	1,635,536
387,132	Other Administrative Expenses	463,495
30,786	Payment for Police Services	55,361
8,025	Contribution towards erection of Bus Shelters, &c.	4,915
53,090	Amounts distributed to Municipalities	45,708
365,496	New Head Office, Land and Building—Carlton	1,682
2,384,750		2,206,697
	<i>Less—Recoups—</i>	\$
29,252	Costs of Collection—Motor Boat Registrations	33,464
	Road Charges (Commercial Goods	
403,939	Vehicles Act)	434,855
10,010	Sale of Building and Furniture — Exhibition Office	10,000
		478,319
1,941,549		1,728,378
258,033	Balance of Fund at 30th June	605,780

During 1968-69, the Board made further payments totalling \$35,996 to complete the construction and fitting out of a new office at Ballarat. Total expenditure was \$61,803.

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 final instalment was received during the year under review.

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 1968–69 was \$7,841,757 compared with \$7,247,589 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 1968–69 amounted to \$233,149. The costs of collection and administration were recouped to the extent of \$33,464.

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, 1969, 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	50,000	50,000
Bendigo City Council	20,000	20,000
Olympic Park Committee of Management	220,000	190,000
Royal Agricultural Society of Victoria	1,040,000	608,787

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

Set out below are details, as at 30th June, 1969, of cases where guarantees have been given by the Treasurer under the authority of statute and where there is a contingent liability. This statement does not include instances where Parliament has included in legislation a Government guarantee of borrowings of Government instrumentalities and other bodies.

	Guarantee.	Contingent Liability.
	\$	\$
Co-operative Housing Societies	189,186,000	109,018,582
Co-operative Housing Societies .. .. .	..	*94,463,842
Co-operative Societies	7,436,240	2,880,003
Home Finance Trust	25,978,751	21,954,121
Melbourne Cricket Club	2,550,000	2,526,007
Trustees of the Sisters of Charity of Australia	1,250,000	250,000
Victorian Inland Meat Authority	300,000†	300,000

* 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, 1969, 832 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. Such an agreement may be entered into only in respect of advances which do not exceed amounts specified in the Act. At 30th June, 1969, there were 2,861 indemnities in force, the contingent liability in respect of which was \$1,407,451.

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, 1969, 412 guarantees to the extent of \$7,436,240 had been given in relation to the borrowings of a number of societies, and the contingent liability under the guarantees amounted to \$2,880,003.

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 the Auditor-General, 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 \$428,751 in respect of loans beyond the specified maxima, and 120 guarantees totalling \$25,550,000 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 372 guarantees was \$21,954,121. 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, 1969, eleven guarantees amounting to \$2,550,000 had been given.

The *St. Vincent's Private Hospital (Guarantees) Act 1969* authorizes the Treasurer to guarantee the repayment of loans made to the Trustees of the Sisters of Charity of Australia to build a private hospital on the site formerly occupied by Mt. St. Evin's Hospital provided that the total liability under the guarantees does not, in the aggregate, exceed the amount of \$4,500,000. Up to and inclusive of 30th June, 1969, one guarantee amounting to \$1,250,000 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. Upto and inclusive of 30th June, 1969, 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 two financial years in respect of the major State activities.

	1968.	1969.
	\$	\$
Railways and State Coal Mine	4,628,527	4,872,687
Taxation—		
Income	910	906
Unemployment Relief	344	342
Land	1,135,709	785,840
Probate Duty	1,815,584	2,950,303
Water Supply	1,200,450	1,350,214
Lands Department	441,781	468,721
Rural Finance and Settlement Commission	579,324	657,882
Forests Commission	584,687	739,667
Government Printer (excluding amounts due from State Departments)	91,872	186,940
Other Departments	193,713	151,805
Trading Activities—		
Victoria Dock Cool Stores	144,972	159,143
Miscellaneous	184,408	268,201
	11,002,281	12,592,651

The arrears of Probate Duty for 1969 do not include the amount of \$1,703,753 which represents assessments issued during June, but not due and payable until after 30th June.

Land Tax in arrears as at 30th June, 1969, as disclosed in the preceding statement, is composed of amounts due in respect of several assessment years. Relevant details are :—

	\$
1965 and prior years	88,111
1966	16,031
1967	5,299
1968	7,556
1969	668,843
	785,840

Collections during July, 1969, reduced these arrears by \$390,048.

Miscellaneous, \$268,201, represents cash in transit to the Treasury from various departmental branches throughout the State as at the close of the year 1968-69 and includes—from the City Court, \$28,627 ; the Marine Board, \$27,764 ; the Companies Registration Office, \$15,817 ; and the Public Trustee, \$50,729.

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, \$541,244. To 30th June, 1969, repayments on account of these advances amounted to \$457,799 and \$122,865 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 two years by means of special items in Loan Application Acts or from Treasurer's Advance.

	1967-68.	1968-69.
	\$	\$
Corporations and other Bodies	2,903,473	2,213,220
Settlers	948	1,947
Various	146,779	262,071
Total	3,051,200	2,477,238

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, 1969, instalments of redemption and interest charges due and unpaid amounted to \$110,666. 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, 1969.			Overdue at 30th June, 1969.				
	Loan.	Revenue.	Total.	Redemption.			Interest.	Total.
				Loan.	Revenue.	Total.		
	\$	\$	\$	\$	\$	\$	\$	\$
Municipalities	2,607,703	..	2,607,703	3,994	..	3,994	9,399	13,393
Corporations and other bodies	40,129,617	..	40,129,617	6,567	..	6,567	34,981	41,548
Unemployment Relief Advances	166,374	..	166,374	31,471	..	31,471	..	31,471
Advances to Settlers	12,642	..	12,642	5,299	..	5,299	1,620	6,919
Various	1,949,384	509	1,949,893	10,833	509	11,342	5,993	17,335
Total	44,865,720	509	44,866,229	58,164	509	58,673	51,993	110,666

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 \$8,642,462. According to the Treasurer's accounts, the sum still to be repaid by the municipalities concerned, as at 30th June, 1969, was \$2,607,703.

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 \$10,372,814 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 \$6,361,470.

Sewerage Authorities.—Advances of \$8,877,963 have been made from loan for capital works of country sewerage authorities, but \$5,231,723 of this amount has been transferred to the Capital Expenditure Borne by the State Account. Repayments amount to \$421,063 and the balance of liability at 30th June was \$3,225,177.

Mildura Trusts.—Loan advances to the First Mildura Irrigation Trust and the Mildura Urban Water Trust amount to \$4,887,012 of which there has been repaid \$152,564. Liability to the extent of \$3,394,812 has been transferred to the State and \$36,831 has been written off, leaving the balance of advances at 30th June, \$1,302,805.

Waterworks Trusts.—Of advances of \$39,011,350 from loan and \$67,249 from revenue, \$26,809,182 was still to be repaid at 30th June. At the same date, 33 trusts between them owed \$31,868 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 \$5,972,927, but liability to the extent of \$5,098,671 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 \$166,374 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.
12.3.69	Health—Mental Hygiene Branch	\$ 1,469.95	Surcharge ..	Deficiency of trust moneys in Patients' Trust Account, Ballarat Mental Hospital, now known as Lakeside Hospital.
24.3.69	Railways	2,900.00	Surcharge ..	Deficiency in cash advanced to Newport Accounting Office.

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	..	..	..	..	..	..	..	369
1968-69	..	..	..	..	..	..	..	10,273

Advances to Departments, &c., not adjusted at 30th June, 1969, amounted to \$1,975,512. In respect of these advances and of expenditure from other advances which were adjusted by the Departments or Authorities concerned prior to 30th June, 1969, the Treasurer has not been acquitted to the extent of \$4,252,519.

PAYMENT ALLOWED ON IMPERFECT VOUCHER.

Pursuant to Section 42 of the *Audit Act* 1958, the undermentioned voucher which was imperfect for the reason shown, was admitted as sufficient discharge of the Paymaster :—

Chief Secretary's Department—Government Statist.

Treasury Voucher No. 96182 of 21st February, 1969, \$48.50—Refunds of Fees.—This voucher was defective in that it was not supported by sub-vouchers.

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 parking attendant was responsible for shortages of \$13.80 and \$14.10 in parking fees on 29th and 30th May, 1969, respectively. He was convicted of embezzlement and placed on a good behaviour bond for two years.

Police Department.

Fawkner Police Station.—On 29th September, 1968, a pistol and \$38 in cash were stolen from this station. Police enquiries failed to establish responsibility for the loss.

Footscray Police Station.—A prisoner's personal property, including \$84.50 in cash was received at Footscray Police Station on 12th June, 1969. The property could not be located later in the day when the prisoner was taken to Pentridge. Enquiries are proceeding.

Lancefield Police Station.—The first constable in charge of this station failed to account for two amounts totalling \$449.05 in addition to the sum of \$355.70 referred to in my Report for 1967–68. He was dismissed from the Police Force. The sum of \$449.05 was recovered by retention of this amount from moneys due to the constable's wife as a refund of rateable deductions from the pay of her husband while he was a member of the Police Force.

COUNTRY ROADS BOARD.

Head Office, Kew.—On 13th January, 1969, a shortage of \$90 was discovered in the Paying Officer's sub-advance. The discrepancy was investigated but the cause could not be accurately determined. A claim has been lodged with the Board's insurers.

An amount of \$30 was found to be missing from Head Office collections on 22nd April, 1969. Police investigations failed to establish responsibility for the loss. The amount was recovered from the Board's insurers.

EDUCATION DEPARTMENT.

Schools.—Irregularities were detected in school accounts at three Primary Schools. Police action is current in one case, County Court proceedings are pending in another and departmental action is in course in the third case.

HEALTH DEPARTMENT.

Maternal and Child Welfare Branch.—Two pay envelopes containing \$102 and \$98.90 were lost by the Branch in February and March, 1969, respectively. Police enquiries were inconclusive. The total amount was recovered from insurers.

Mental Hygiene Branch.

Lakeside Hospital (formerly Ballarat Mental Hospital).—An officer of this Hospital was responsible for a deficiency of \$1,469.95 in the Patients' Trust Account. He was found guilty on charges of embezzlement and sentenced to eighteen months' imprisonment. A notice of surcharge under Section 36 of the *Audit Act* was served on him for the amount of the deficiency.

Novar Hospital, Ballarat.—On 16th March, 1969, the therapy unit at this Hospital was broken into and \$14.52 in cash was stolen.

HOSPITALS.

Stawell District Hospital.—An audit of the books and accounts of this Hospital, made at the request of the Hospitals and Charities Commission, disclosed a cash deficiency of \$2,198.03. A female clerk responsible for the shortage was dismissed in December, 1968. Part restitution is being made at the rate of \$60 per fortnight.

LANDS DEPARTMENT.

Heathcote Recreation Reserve.—An audit of the books and accounts of the Committee of Management of the Heathcote Recreation Reserve was conducted at the request of the Honorable the Acting Treasurer. The audit disclosed that the sum of \$529.33 did not appear to have been accounted for during the period from 21st April, 1966 to 27th March, 1969.

LAW DEPARTMENT.

Companies Registration Office.—A shortage of \$20 was discovered in the cash takings for 16th September, 1968. Police enquiries were inconclusive. The amount was recouped from Consolidated Revenue.

Court of Petty Sessions, Brunswick.—A shortage of \$30 was discovered in the collections brought to account on 22nd July, 1968. The amount was recouped from Consolidated Revenue.

A further shortage of \$20 occurred in the collections on 23rd August, 1968. Enquiries by the Treasury are proceeding.

Police investigations in both cases were inconclusive.

Court of Petty Sessions, Melbourne.—Two cash shortages of \$25 and \$29.43 were found on 17th December, 1968, and 18th February, 1969, respectively. Police enquiries failed to establish responsibility for the deficiencies. The amounts were recouped from Consolidated Revenue.

PARLIAMENT HOUSE.

A Commonwealth Taxation cheque for \$42.35 was fraudulently negotiated through the bank account of the Legislative Council and the Legislative Assembly House Committee. Investigations by Commonwealth Police were inconclusive.

PREMIER'S DEPARTMENT.

Tourist Development Authority.—A shortage of \$60 was discovered on 7th January, 1969, in the previous day's balance of an officer engaged on interstate rail bookings at the Victorian Government Tourist Bureau, Melbourne. Full restitution was made by the officer responsible for the shortage.

RAILWAY DEPARTMENT.

Twenty-five officers and employees were found guilty of offences in respect of loss or theft of money or other property. With the exception of three instances involving sums of \$660, \$156 and \$100, the cash and other deficiencies were comparatively small.

Twelve of the charges were heard by the courts and thirteen were dealt with by the Railways Board of Discipline.

STATE ELECTRICITY COMMISSION.

Losses and thefts of stores and materials reported during the year were investigated by officers of the Commission and referred to the police for enquiry. Where Commission personnel were involved and guilt was established, services were terminated. Theft of non-ferrous metals, mainly copper and copper conductor from erected lines, stores, depots and other field locations were again serious. Losses in this category amounted to \$20,600.

A clerical assistant at the Warragul District Office failed to bring to account moneys totalling \$26.32. His services were terminated and the shortage recouped from moneys due to him.

A safe containing \$117.38 was stolen from the Daylesford District Office. A claim has been lodged with insurers.

TREASURY.

Government Printer.—Two pay envelopes containing a total of \$13.20 were found to be missing from the Paymaster's safe on 12th September, 1968. Police enquiries failed to establish responsibility for the loss. The amount was recouped from Consolidated Revenue.

UNIVERSITIES.

Melbourne.—Cash amounting to \$364.66 was stolen from seven different locations. The sum of \$70.31 was recovered from insurers and a claim has been submitted for a further amount of \$285.35.

Monash.—An amount of \$84.71 stolen from the Hargrave Library was recovered from insurers.

LOSSES AND THEFTS OF STORES.

In the year under review, other instances of loss and theft of stores were reported. Particulars of these are furnished below :—

Department or Authority.	Location.	Items Lost or Stolen.	Value.	Remarks.		
			\$			
Agriculture	Research Station,	25 Sprinklers ..	189	} Stolen. Insurance claimed		
	Frankston					
	Research Station,	Battery and Microscope	34			
	Scoresby					
	Dookie College ..	Battery	12			
	Burnley Gardens ..	Rotary Mower ..	84			
	Fodder Conservation ..	Pair of Loading Ramps	65			
	Shepparton	Chalkboard	17			
	Various	Fruit Fly Equipment, Wheel, Brace, Jack	67			
.. ..	Head Office	2 Measuring Tapes ..	11	} Stolen. Police informed		
	Research Farm,	18 Crossbred Ewes ..	144			
	Healesville					
.. ..	Head Office	Tape Recorder ..	150	Lost. Insurance claimed		
Country Roads Board ..	Aberfeldy	4 cases Galignite ..	60	} Stolen. Police notified		
	Goulburn River ..	Tools and Fuel ..	54			
	Lakes Entrance ..	Tools, &c.	670			
	Mangalore	2 Gas Cylinders, Toaster	70			
	Tallarook	Scoopmobile Tool Kit	45			
Education	Various Schools ..	Equipment	20,588	} Stolen or Destroyed Police notified		
	Accounts Branch ..	Adding Machine ..	63			
Fisheries and Wildlife Branch	North Melbourne ..	Pair Binoculars ..	20	Police notified		
Health	Gresswell Sanatorium ..	2 Television Receivers ..	} 400	} Stolen. Police notified		
		Electric Kettle				
		Mantel Radio				
		Film Projector			300	
La Trobe University ..	Workshop Premises .. Chemistry Department	Tools and Equipment ..	360	} Stolen. Police notified		
		Camera and Equipment	125			
		Compressor Pump ..	197			
Melbourne and Metropolitan Board of Works	Various	Tools and Equipment ..	12,840	Written off		
Melbourne University ..	Research and Social Studies Department	Typewriter	73	} \$1,300 recovered from insurance		
		Heater	34			
		Strip Heater	10			
		Electric Jug	3			
		Spectrophotometer ..	1,570			
Mental Health Authority ..	Mont Park Hospital ..	Electric Razor, Hair Dryer	25	Stolen from vehicle		
	Royal Park Hospital ..	Ophthalmoscope ..	30	} Written off		
		Microphone	5			
		119 Gramophone Records	50			
	Larundel Hospital ..	Electric Iron, Mantel Radio	20	} Disappeared. Police notified		
	Plenty Hospital ..	Tools	50			
	Ararat Hospital ..	Smokers' Stand ..	10			
	Head Office	Electric Fan	10			
	Dandenong Centre ..	Electric Stovette ..	20			
	Monash University ..	Psychology Department	18 Kymograph Stands	553	} Insurance claimed	
Time Marker			42			
Photo Electric Transducer			32			
Geography Department		Tape Recorder ..	76			
		Radiometer	75			
Mathematics Department		Calculator	234			
		2 Electric Fans ..	53			
Buildings Branch ..		Step Ladder	26			
Faculty Club		Liquor, Cigarettes ..	85			
English Department ..		2 Tape Recorders ..	372			
Anatomy Department ..		Camera Lens	55			
Queen Victoria Hospital		4 Chairs	92			
Religious Centre ..		Electric Jug	7			
Farrer Hall		Stereogram	85			
Birch Cottage		Equipment, Books ..	343			
Medical Department		Dean's	Centrifuge	150		
		Department	Microscope	85		
		Hot Plate	43			
		2 Radiators	18			
Howitt Hall		Hide Rug	25	Missing		
Modern Languages Department		Department	Tape Recorders, and Photographic Cine Equipment	6,315		Insurance claimed
			North East Halls of Residence	Food and Wine ..		19,358	$10,000 recovered from insurance
			Chair	10		Missing

LOSSES AND THEFTS OF STORES.—*continued.*

Department or Authority.	Location.	Items Lost or Stolen.	Value.	Remarks.
			\$	
National Museum ..	Swanston Street, Melbourne	2 Fire Extinguisher Caps 2 Branch Nozzles .. 4 Standard Branches ..	30	Stolen. Offender prosecuted
Victoria Police	Police College .. Black Rock Station .. Port Fairy Station	2 Silver Meat Trays .. Bicycle .. Browning Pistol ..	20 10 25	Lost Missing Lost
Public Works Department..	General Store .. Cheltenham Queenscliff Swan Hill Engineering Division ..	5 Truck Tyres .. Battery .. Wheel Barrow .. Crane Wheel .. 10 gallons Paint .. Combination Saw .. Tarpaulin and Tools .. 47 gallons Petrol .. Electric Clock .. Tools ..	272 14 23 110 26 25 92 19 10 88	Stolen. Police notified Lost on Works
Social Welfare Branch ..	Institute, Hawthorn .. Head Office Pentridge Prison .. "Turana" Youth Training Centre "Baltara" Centre .. Malmsbury Youth Training Centre Won Wron Prison .. Footscray Office ..	2 Electric Radiators .. Film Projector .. Various Tools .. Electric Clock .. 6 Mattresses .. Socket Set .. Vacuum Cleaner .. 7 Blankets .. Hydraulic Jack .. Prisoner's Clothing .. Electric Fan ..	40 80 100 25 32 14 20 42 100 10 20	Police notified Stolen from vehicle Destroyed by fire Police notified Lost Written off Police notified
State Rivers and Water Supply Commission	Various	Tools and Equipment missing on works	1,583	Police notified of thefts

Opinion of the Solicitor-General

Sub-section (2) of Section 47 of the *Audit Act* 1958 requires me to annex or append to my Report a copy of every case or statement of facts laid by me before the Attorney-General or Solicitor-General for opinion together with a copy of the opinion given.

During the year, I obtained the opinion of the Solicitor-General, through the Crown Solicitor, as to the power of the Egg and Egg Pulp Marketing Board to carry forward surplus moneys from one pool period to another. In compliance with Section 47, a copy of the case submitted by me and a copy of the opinion of the Solicitor-General are furnished as Appendix "F" to this Report.

My comments on the accounts of the Egg and Egg Pulp Marketing Board will be included in my Supplementary Report.

Acknowledgment.

The pressure of work in the Audit Office continues to grow and reflects the continual increase in the number of audits to be undertaken and the expanding volume of business involved in individual audits.

Heavy demands were made on the limited staff of the Office during the year, both in respect of the normal audit programmes and in the additional task of producing this Report.

As always, the staff response to the demands made on them was capable and energetic and I express my appreciation of the valuable support I have received from them in the course of the year.

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

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

Melbourne, 7th November, 1969.

STATEMENT No. 1.

RECEIPTS AND EXPENDITURE FOR THE YEAR 1968-69.

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

Receipts.		Expenditure.	
	\$	\$	\$
<i>Balance brought forward—</i>			
Loan Fund	264,472	Under Parliamentary Authority	662,960,130
		From Treasurer's Advance	3,684,356
			<u>666,644,486†</u>
<i>Revenue for the year</i>	664,183,442		
<i>Proceeds of Loans raised for Works, &c.</i> ..	146,620,000	<i>Loan Expenditure—</i>	
<i>Less Flotation Expenses, &c.</i>	279,086	Under Parliamentary Authority	154,479,111
	<u>146,340,914</u>	From Treasurer's Advance	228,379
<i>Loan Repayments</i>	8,153,686		<u>154,707,490</u>
	<u>154,494,600</u>	<i>Total Expenditure for the year</i>	821,351,976
<i>Deficit for the year</i>	2,461,044	<i>Balance carried forward—</i>	
		Loan Fund	51,582
			<u>821,403,558</u>

* Does not include advances from Commonwealth Government for Housing, \$36,038,313, and for Drought Relief, \$2,880,000.

† Subject to the passing of the Supplementary Estimates for the year.

Comparison, on a monetary and proportional basis, of expenditure from Consolidated Revenue and Loan in 1968-69 with that in the previous year.

1967-68.

1968-69.

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.
\$	%	\$	%		\$	%	\$	%	\$	%
261,246,130	43.44	68,094,240	45.81	Social— Education, Health, Welfare, Payments to Hospitals and Charities Fund, &c. . .	298,174,041	44.89	69,287,505	44.77	367,461,546	44.87
131,199,385	21.83	..	..	*Debt Charges— Interest, Sinking Fund, Repayments, (including Housing and Soldier Settlement)	141,675,607	21.33	..	..	141,675,607	17.30
100,030,182	16.63	16,614,091	11.18	Railways— †Working Expenses and Loan Expenditure	105,992,063	15.96	16,901,101	10.92	122,893,164	15.01
5,272,600	.88	..	..	Pensions	5,451,189	.82	..	..	5,451,189	.66
30,132,121	5.01	29,373,898	19.76	Primary Production— Agriculture, Lands, Soldier Settlement, Forests, Country Water Supply, &c. . .	32,410,882	4.88	32,103,373	20.75	64,514,255	7.88
33,801,526	5.62	3,457,702	2.33	Law and Order— Law, Police, Prisons, &c.	36,086,265	5.44	4,858,062	3.14	40,944,327	5.00
..	..	14,500,000	9.75	State Electricity Commission— Advances from Loan .. .. .	..	..	15,750,000	10.18	15,750,000	1.92
..	..	9,469,354	6.37	Other Public Works— Loan Works and Advances .. .. .	..	..	12,908,619	8.34	12,908,619	1.57
7,926,500	1.32	..	..	Pensions— Retired Officers, Officers' Widows, &c., excluding Railways	9,049,861	1.36	..	..	9,049,861	1.11
34,513,562	5.73	2,873,926	1.93	Other Expenditure	37,804,578	5.69	2,898,830	1.87	40,703,408	4.97
..	..	4,000,000	2.69	In Aid of Revenue .. .. .	..	..	..	..	..	..
604,122,006	100.46	148,383,211	99.82	Total Expenditure from Consolidated Revenue and Loan	666,644,486	100.37	154,707,490	99.97	821,351,976	100.29
2,793,633	.46	264,472	.18	Loan Funds carried forward	2,461,044	.37	51,582	.03	51,582	.01
601,328,373	100.00	148,647,683	100.00	Revenue Deficit	664,183,442	100.00	154,759,072	100.00	2,461,044	.30
				Total Revenue and Loan Proceeds available to meet Expenditure					818,942,514	100.00

* Includes Railway Debt Charges, 1967-68, \$5,746,582; 1968-69, \$6,614,909.

† Excludes Railway Debt Charges, 1967-68, \$5,746,582; 1968-69, \$6,614,909.

STATEMENT No. 3.

LOAN FUND.

ABSTRACT OF TRANSACTIONS FOR THE YEAR 1968-69.

				\$	\$
<i>Balance</i> of Loan Fund at 30th June, 1968	..	..	..	..	264,472
<i>Receipts—</i>					
Proceeds of Loans Raised—					
For Works, &c.	..	..	..	146,620,000	
For Redemption	..	..	..	131,990,551	
Loan Repayments	..	..	..	8,153,686	
				<hr/>	286,764,237
					<hr/>
					287,028,709
<i>Disbursements—</i>					
Works, &c., Under Parliamentary Authority	..	..	..	154,479,111	
Works, &c., From Treasurer's Advance	..	..	..	228,379	
				<hr/>	
				154,707,490	
Moneys applied to Redemption	..	..	..	131,927,951	
Flotation Expenses	..	..	..	278,911	
Conversion Bonus	..	..	..	62,775	
				<hr/>	286,977,127
					<hr/>
<i>Balance</i> Loan Cash on Hand at 30th June, 1969	..	..	..	..	51,582
					<hr/>

LIABILITY FOR LOANS.

				\$	\$
Liability to Commonwealth at 30th June, 1968	..	..	..	..	1,973,033,356
Loans raised in 1968-69—					
For Works, &c.	..	..	..	146,693,041	
For Redemption	..	..	..	132,000,601	
				<hr/>	278,693,642
					<hr/>
					2,251,726,998
<i>Less</i> Loans Repurchased or Redeemed—					
By Redemption Loans	..	..	..	131,604,146	
By National Debt Sinking Fund	..	..	..	13,792,321	
				<hr/>	145,396,467
					<hr/>
Liability to Commonwealth at 30th June, 1969	..	..	..	..	2,106,330,531
<i>Less</i> Cash at credit of National Debt Sinking Fund	..	..	..	..	10,176,351
					<hr/>
Net Liability for Loans at 30th June, 1969	..	..	..	..	*2,096,154,180
					<hr/>
Net Liability for Loans at 30th June, 1968	..	..	..	..	1,972,987,630
					<hr/>
Increase in Net Liability for the year	..	..	..	..	123,166,550
					<hr/>

* Does not include liability in respect of advances by the Commonwealth for Housing purposes, \$483,438,721, for special assistance for Soldier Settlement, \$13,169,334, and for Drought Relief, \$5,730,000.

STATEMENT No. 4.

TRUST FUND.

The Treasurer's liability on account of the Trust Fund, at 30th June, 1969, was :—

<i>Various funds as per Treasurer's Statement—</i>							\$
Amounts lodged and invested	..	..	..	..	..	..	62,681,286
General Account balances	..	..	..	..	..	..	81,482,410*
							<u>144,163,696</u>
 <i>Represented by :</i>							
Stocks and Securities—							
Blue Moon Fruit Co-operative Ltd.—Shares	..	..	..	..	..	..	20
Camperdown—Glenormiston Dairying Co. Ltd.—Shares	..	..	..	..	..	..	140
Colonial Gas Holdings Ltd.—Registered Debenture Stock	..	..	..	..	..	..	1,000
Commonwealth Government Inscribed Stock, &c.	..	..	..	..	..	..	25,134,079
Gas and Fuel Corporation Registered Debenture Stock	..	..	..	..	..	..	2,298,700
Gas and Fuel Corporation of Victoria—Shares	..	..	..	..	..	..	15,259,778
Geelong Harbor Trust Debenture	..	..	..	..	..	..	95,577
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	..	..	..	..	..	..	255,000
Melbourne and Metropolitan Board of Works Inscribed Stock	..	..	..	..	..	..	3,189,960
Melbourne and Metropolitan Tramways Board Inscribed Stock	..	..	..	..	..	..	475,000
National Art Gallery and Cultural Centre Registered Debenture Stock	..	..	..	..	..	..	838,124
Pilot Vessel <i>Akuna</i> —Registered Mortgage Debenture	..	..	..	..	..	..	71,772
State Electricity Commission Inscribed Stock	..	..	..	..	..	..	2,446,260
State Savings Bank Deposit Stock	..	..	..	..	..	..	1,583,310
Victorian Pipelines Commission—Registered Debenture Stock	..	..	..	..	..	..	12,300,000
							<u>64,315,286*</u>
 Cash Advanced—							\$
For Consolidated Revenue Deficit	..	..	..	..	..	..	6,826,051
For Other Advances	..	..	..	..	..	..	4,644,152
							<u>11,470,203</u>
For Revenue Deficit 1968–69	..	..	..	..	..	..	2,461,044
							<u>13,931,247</u>
Cash as per Treasurer's Statement	..	..	..	..	..	..	65,968,745
<i>Deduct—</i>							
Loan Fund Credit Balance	..	..	..	..	..	..	51,582
							<u>65,917,163</u>
							<u>144,163,696</u>

* Includes balances invested under Section 9 of the *Public Account Act* 1958—\$1,634,000.

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 1968-69.

Receipts.	\$	Payments.	\$
<i>Paid to Revenue on account of Interest, Sinking Fund, etc. on Advances from the State's Loan Fund—</i>		<i>On Funded Debt—</i>	
State Electricity Commission	13,897,321	<i>Interest—</i>	
Country Roads Board	2,228,213	Melbourne	87,967,981
Water, Sewerage, &c. Authorities	2,065,966	Overseas	5,198,717
Rural Finance and Settlement Commission	1,361,241		<u>93,166,698</u>
Land Settlement	1,225,676	Less—Rebate State Savings Bank	500,000
Gas and Fuel Corporation	512,403		<u>92,666,698</u>
King-street Bridge	189,594	Expenses	342,451
Grain Elevators Board	107,029		<u>93,009,149</u>
Miscellaneous	478,958		
	<u>22,066,401</u>		
<i>Paid to Revenue—Other Interest—</i>		<i>Sinking Fund Contributions</i> .. .. .	.. .. .
Interest on Public Account	2,830,312	<i>Loan Conversion Expenses</i> .. .. .	.. .. .
			<u>19,740,951</u>
Less—Interest paid on Deposits	91,723		<u>57,320</u>
	<u>2,738,589</u>		
	<u>24,804,990</u>	<i>Debit to Consolidated Revenue (Part I.) on account of Debt Charges on Public Debt</i> .. .. .	.. .. .
<i>Paid to Revenue—Recoup of Interest, Principal, &c.—</i>			<u>112,807,420</u>
<i>Other Loans.</i>		<i>Debit to Consolidated Revenue (Part II.) on account of Railways</i> .. .. .	.. .. .
Commonwealth—State Housing Agreement—			<u>6,614,909</u>
Housing Commission	17,363,002		<u>119,422,329</u>
Home Builders' Account	4,260,937		
	<u>21,623,939</u>	<i>On Other Loans—</i>	
Commonwealth—Special Assistance Loans for Soldier Settlement	629,339	<i>Interest and Principal—</i>	
		Commonwealth—State Housing Agreement	21,623,939
		Commonwealth Special Assistance Loans for Soldier Settlement	<u>629,339</u>
<i>Portion of Debt Charges to be met from Railway Income</i>	.. .. .	
<i>Balance—Amount which had to be met from Taxation and other sources</i>	88,002,430		<u>22,253,278</u>
	<u>141,675,607</u>		<u>141,675,607</u>

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.
	\$	\$	\$	\$	\$	\$	\$
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
1968-69 ..	2,039,681,943	112,807,420‡	24,804,990	88,002,430	5·5306	1·2161	4·3145

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

† 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.
	\$	\$	\$	\$	\$	\$	\$
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
1968-69 ..	375,105,065	18,901,443	2,683,805	16,217,638	5·0390	·7155	4·3235

STATEMENT No. 6.

RAILWAY ACCOUNTS.

Statement of Railway Receipts and Expenditure, 1968-69, including Revenue and Loan Moneys.

<i>Revenue—</i>	\$	Receipts.	\$	Charged to Revenue—	\$	Expenditure.	\$
Ordinary Income	99,815,760.50	.. .. .		Working Expenses	103,330,239.84	.. .. .
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	2,115,823.45	.. .. .
Recoup Kerang-Koondrook Tramway Act	26,757.00	.. .. .		Renewals and Replacements Fund	400,000.00	.. .. .
	<u>100,328,517.50</u>			Pensions and Gratuities	5,451,188.83	.. .. .
					<u>111,344,202.12</u>		
					\$		
				Interest	6,221,177.60		
				Sinking Fund Contribution	288,214.00		
				Exchange on Overseas Interest	105,517.69		
<i>Loan—</i>					<u>6,614,909.29*</u>		
Applied from the Loan Fund	16,826,396.45	.. .. .			<u>117,959,111.41</u>		
				<i>Charged to Loan—</i>			
				Way and Works	10,679,955.76		
				Rolling-stock, Equipment, Machinery, and other Works	5,813,574.31		
				Construction of new lines, &c.	332,866.38		
<i>Deficit—</i>					<u>16,826,396.45</u>		
Charged to Consolidated Revenue	17,630,593.91	.. .. .				
				Total .. .. .	.. .. .	
					<u>134,785,507.86</u>		
						
					<u>134,785,507.86</u>		

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

The amount of \$417,330.42 provided from the Commonwealth Grant—Drought Relief 1967 Trust Account and expended on capital works, \$275,005.12, and maintenance, \$142,325.30, has not been included in the above statement.

STATEMENT NO. 6—*continued.*

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

Expenditure.	1967-68.	Per cent. of Revenue.	1968-69.	Per cent. of Revenue.
	\$		\$	
Working Expenses	97,744,403	} 99·0	103,330,240	} 103·1
Commissioners' Salaries	46,950		46,950	
Railway Accident, &c., Fund	1,740,088	1·8	2,115,823	2·1
Renewals and Replacements Fund	400,000	·4	400,000	·4
Pensions and Gratuities	5,272,600	5·3	5,451,189	5·4
National Debt Sinking Fund	250,623	·3	288,214	·3
Interest	5,377,276	5·4	6,221,177	6·2
Exchange on Interest Payments in London.. .. .	118,683	·1	105,518	·1
Railway Equalization Account .. .. .	..	..	..	..
	110,950,623	112·3	117,959,111	117·6
Receipts	98,786,245	100·0	100,328,517	100·0
Railway Equalization Account .. .. .	..	..	..	..
Deficiency	12,164,378	12·3	17,630,594	17·6

COUNTRY WATER SUPPLY.

RECEIPTS AND EXPENDITURE 1968-69.

		Receipts.		Expenditure.		State	Country	Total.
		\$	\$			Development	Water	\$
						Account.	Supply.	
<i>Debt Charges—</i>								
	Water Trusts and Other Corporations, &c.	..	1,897,779					
<i>Rates, &c.—</i>								
	Coliban ..	..	659,669					
	Waterworks Districts ..	..	1,409,636					
	Irrigation Districts ..	..	4,738,164					
	Urban Districts ..	..	2,273,760					
	Flood Protection ..	..	89,986					
	Miscellaneous ..	..	452,837					
			<u>9,624,052</u>					
<i>Recoups of Amounts paid from Revenue</i>								
		..	2,723,771					
			<u>12,347,823</u>					
	Total Revenue	..	..					11,561,797
<i>Loan—</i>								
<i>Country Water Supply—</i>								
	Applied from the Loan Fund	..	3,948,537					
<i>State Development Account—</i>								
	Applied from the Loan Fund	..	14,148,266					
			<u>18,096,803</u>					
<i>Net Cost to Taxation and Revenue from Other Sources</i>								
		..	..					18,096,803
<i>Charged to Revenue—</i>								
	Salaries and payments in the nature of salaries	..						
	General Expenses ..	..						5,959,158
	Coliban District ..	..						1,317,474
	Irrigation and Drainage Districts ..	..						204,187
	Waterworks Districts ..	..						2,355,914
	Flood Protection Districts ..	..						1,076,907
	Removal of Sand Drift ..	..						59,300
	Private Diversions including Headworks ..	..						108,887
								<u>59,753</u>
								11,141,580
	Commissioners' Salaries ..	..						38,250
	Pensions and Gratuities ..	..						381,967
								<u>11,561,797</u>
	National Debt Sinking Fund	..				698,650		195,626
	Interest ..	..						13,734,812
	Exchange ..	..						170,910
	Loan Conversion Expenses ..	..						7,778
								<u>2,295</u>
								13,913,500
								<u>4,093,667</u>
								18,007,167
<i>Charged to Loan—</i>								
	Total Revenue Expenditure	..						30,463,240
<i>Trusts, &c. (for Advances)</i>								
	Districts ..	..						3,527,076
	Plant and Machinery ..	..				14,022,567		197,598
	Latrobe Valley Water Supply ..	..						223,863
	Salt Affected Land—Acquisition, &c. ..	..				125,699		..
								<u>3,948,537</u>
								14,148,266
								<u>18,096,803</u>
<i>Net Cost to Taxation and Revenue from Other Sources</i>								
		..	..					18,096,803
								<u>48,560,043</u>

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, 1969.
Departments—		\$
Agriculture	Machinery and Equipment Parts, Fuel, Seed, Publications	218,337
Chief Secretary—		
(a) Police Branch	Radio and Vehicle Parts, Clothing, Office Requisites	285,684
(b) Social Welfare Branch	Clothing, Bedding, Hardware, Materials for Manufacture	397,943
(c) Fisheries and Wildlife Branch	Publications, Motor Tyres, Field Equipment ..	7,516
Crown Lands and Survey	Implements, Equipment, Plans, Photographic Materials	749,593
Education	School and Office Requisites, Books, Equipment	899,206
Forests	Vehicle Parts, Tools, Fuel	265,595
Health	Hardware, Instruments, Drugs	61,150
Mental Health Authority	Bedding, Hardware, Clothing	744,513
Mines	Machinery, Tools, Tubing, Chemicals	347,696
Public Works	Mechanical and Electrical Equipment, Spare Parts, Furniture, Building Materials	675,894
Railways	Engineering, Refreshment Services, General Stores ..	9,995,776
Treasurer—Government Printer	Paper, Stationery, Publications	1,242,806
Water Supply	Machinery Parts, Tools, General Stores	2,288,065
Public Authorities—		
Cancer Institute	Medical, Technical and General Stores	72,968
Council of Adult Education	Theatrical Equipment	14,761
Country Fire Authority	Fire Appliances, Hose, Spare Parts, Uniforms ..	121,318
Country Roads Board	Vehicle Parts and Accessories, Camping Equipment, General Stores	885,811
Egg and Egg Pulp Marketing Board	Eggs, Packing Materials, Spare Parts	487,416
Gas and Fuel Corporation	Gas Appliances, Fittings, General Stores	5,736,024
Geelong Harbor Trust	Engineering and Maintenance Stores	34,271
Housing Commission	Building Materials, Spare Parts	499,850
La Trobe University	Stationery, &c.	17,261
Latrobe Valley Water and Sewerage Board	Construction Materials, Pipes, Spare Parts ..	18,399
Melbourne and Metropolitan Board of Works	Engineering Stores, Spare Parts, Pipes, Meters ..	3,345,600
Melbourne and Metropolitan Tramways Board	Engineering Stores and Parts, Uniforms, Stationery ..	656,615
Melbourne Harbor Trust	Maintenance and Engineering Stores	727,699
Metropolitan Fire Brigades Board	Fire Appliances, Electrical and Engineering Stores, Uniforms	249,000
Monash University	Building Materials, Stationery, Books	242,780
Portland Harbor Trust	Maintenance and Engineering Stores	51,683
Rural Finance and Settlement Commission	Constructional and General Stores	67,376
State Electricity Commission	Electrical, Maintenance and Constructional Stores ..	8,642,146
State Relief Committee	Clothing, Bedding, Hardware, Provisions	50,574
Transport Regulation Board	Stationery and Office Requisites	57,441
University of Melbourne	Building Materials, Stationery, Chemicals, Glassware	63,397
Victorian Inland Meat Authority	Meat, General Stores	522,308
	Total	40,744,472

APPENDIX B-1.

ENDOWMENTS AND GRANTS.

	1967-68.	1968-69.	+ 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	375,000	404,000	+ 29,000
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	44,500	+ 2,000
National Safety Council	30,000	30,000	..
Old People's Welfare Council of Victoria	2,000	2,000	..
Over Fifties 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	9,000	+ 1,000
Salvation Army	1,000	1,000	..
Science and Technology Careers Bureau	3,346	3,360	+ 14
State Relief Committee	57,000	57,000	..
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	9,000	9,000	..
Victorian Cytology (Gynaecological) Service	106,125	121,500	+ 15,375
Victorian Family Council	1,000	3,500	+ 2,500
Victorian Nursing Council	29,000	29,000	..
Walter and Eliza Hall Research Institute	72,000	72,000	..
Young Christian Workers Movement	2,000	2,000	..
Young Farmers' Clubs Association	41,390	44,600	+ 3,210
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	44,967	52,455	+ 7,488
Country Free Libraries	18,000	18,000	..
Cultural Development	170,780	186,680	+ 15,900
Melbourne Symphony Orchestra	75,000	75,000	..
Municipal and Regional Libraries	1,171,473	1,247,501	+ 76,028
Orchestral Concerts	30,760	34,127	+ 3,367
Sundry—			
Animal Welfare League	1,000	1,000	..
Australian Industrial Design Council .. .. .	..	5,000	+ 5,000
Australian Publicity Council	10,000	10,000	..
Ballarat Fish Acclimatization Society	2,400	2,400	..
British Commonwealth Day Movement	500	2,000	+ 1,500
British Commonwealth Youth Sunday	6,000	6,000	..
British Memorial Foundation	200	200	..
Cemeteries, Improvement and Maintenance	16,000	32,000	+ 16,000
Citizens' Advice Bureau .. .. .	..	625	+ 625
Commonwealth Parliamentary Association—Victoria Branch	14,588	16,750	+ 2,162
Guide Dog Owners and Friends Association	1,000	1,000	..
Keep Australia Beautiful Council .. .. .	..	20,000	+ 20,000
Kerang Agricultural Research Farm	2,000	2,000	..

ENDOWMENTS AND GRANTS—*continued.*

	1967-68.	1968-69.	+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	3,000	+ 1,000
National Trust of Australia (Victoria)	12,000	12,000	..
Nurses Memorial Centre	4,000	5,500	+ 1,500
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	5,500	+ 2,500
Timber Promotion Committee .. ..	..	25,000	+ 25,000
Trustees, Shrine of Remembrance	2,000	5,000	+ 3,000
Victorian Field and Game Association	1,200	1,200	..
Victorian Piscatorial Council	2,630	2,630	..
Victorian Rural Fire Brigades Association	2,000	2,000	..
Victorian Urban Fire Brigades Association	2,000	2,000	..
Water Research Foundation of Australia Ltd.	12,500	12,500	..
Women's Prison Council	100	200	+ 100
Zoological Board of Victoria	23,000	23,000	..
Total	2,573,959	2,805,228	+ 231,269

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, 1968-69.

	\$
All Nations Together Society	100
Altona Drama Group	50
Ararat Golden Gateway Festival	200
Astra Chamber Music Society	1,200
Australian Boys' Choir	200
Australian Elizabethan Theatre Trust	80,000
Australian National Theatre Limited	25,000
Australian Universities Festival Choir of Melbourne	15,000
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	100
Ballarat Music Lovers' Club	100
Ballarat Orchestra Association	500
Balmoral Drama Group	50
Beaumaris Art Group	100
Beaumaris Players Club	100
Beechworth Music Group	100
Bendigo Competitions Society	1,750
Bendigo Music Advancement Society	500
Bendigo Music Lovers' Club	150
Bendigo Operatic Society	200
Bendigo Repertory Society	100
Bendigo Shakespeare Literary Society	50
Boort Music, Literature and Arts Society	100
Box Hill City Repertory Company	50
Bright Music and Drama Group	50
Broadford Drama Group	100
Camberwell City Festival	750
Camberwell City Philharmonic Society	200
Camperdown Musical Society	300
"Carols by Candlelight", Melbourne	1,000
Casterton Music Circle	100
Castlemaine Light Opera Company	100
Children's Theatre Guild	1,000
Colac Music Lovers' Club	150
Contemporary Art Society of Australia	300
Dandenong Dramatic Club	50
Dandenong Festival of Music and Art for Youth	2,750
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
Goulburn Valley Drama Group	100
Hamilton Arts Council	600
Hartwell Eisteddfod Committee	300
Heidelberg City Choir	100
Heidelberg City Repertory Group	400
Horsham Arts Council	400
Horsham Music Club	50
Horsham Orchestral Society	50
Kerang Music Society	50
Kew Philharmonic Society	150
Kyneton Choral Society	100
Kyneton Lions Club Music and Drama Festival	400

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	5,000
Metropolitan Choristers	50
Mildura Little Theatre.. .. .	50
Mirboo North Dramatic Club	50
Mitcham Repertory Group	50
Moe City Choir	50
Moomba Festival	10,000
Moorabbin City Arts Festival	250
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
Northcote Dramatic Society	100
Oriana Madrigal Choir	100
Peninsula Arts Society	100
Peninsula Light Operatic Society	200
Peninsula Music Society	50
Portland Council for the Encouragement of Music and the Arts	200
Pyalong Music and Dramatic Group	50
"Q" Theatre Guild	500
Red Cliffs Players	50
Ringwood Arts and Crafts	100
Royal South Street Society	3,000
St. Arnaud Drama Group	100
St. John's Eisteddfod, Ballarat	250
Sale Arts Festival	1,200
Sale Eisteddfod Society	400
Sale Repertory Group	100
Sandringham Symphony Orchestra	200
Seymour Music Club	100
Shepparton Dramatic Society	100
Shepparton Musical Advancement Society	300
Shepparton Symphony Orchestra	430
South Gippsland Eisteddfod	100
South Melbourne City Philharmonic Society	50
Stawell Choral Society.. .. .	100
Strathmore Orchestral Society	50
Strathmore Theatrical Arts Group	100
Thespians (Yallourn) Dramatic Society	100
Toora Drama Group	50
Traralgon Music, Drama and Art Society	300
Victorian Artists Society	1,000
Victorian Ballet Guild	5,000
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
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	186,680

APPENDIX C.

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

NOTE:—1968-69 shown in heavy type.
1967-68 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 &c.—Teaching Service	1,289,955 1,162,510	..	55,914,700 48,129,060	38,015,835 32,713,024	22,956,335 19,651,480	2,129,581 1,692,147	519,813 433,937	2,659,311 2,781,689	4,219,674 3,452,438	7,378 6,528	..	..	..	127,712,582 110,022,813
Salaries &c.—General Administration and Clerical Assistance	1,406,604 1,274,450	76,760 49,824	31,021 10,155	954,143 844,807	..	14,293 4,847	41,066 35,878	156,628 150,324	128,094 118,838	42,689 43,317	..	..	..	2,851,298 2,532,440
Pay-roll Tax	63,895 61,187	1,884 1,281	1,409,800 1,272,191	1,003,783 907,640	559,237 502,721	54,340 45,231	13,437 11,801	68,518 75,695	111,012 95,125	11,836 11,937	..	..	..	3,297,442 2,984,829
Workers' Compensation Insurance	17,301 10,700	512 224	383,560 222,485	273,093 158,731	152,148 87,918	14,784 7,910	3,655 2,064	18,641 13,238	119,660 70,034	3,220 2,091	..	..	..	986,574 575,395
Allowances—Students in Training .. .. .	..	..	..	..	..	..	..	..	13,405,963 11,875,097	..	..	..	..	13,405,963 11,875,097
Travelling Expenses and Allowances, &c.	110,746 94,595	3,716 230	76,895 62,302	47,787 31,753	154,361 124,733	12,382 10,514	1,600 1,581	103,457 83,690	36,894 29,790	..	..	1,351 1,325	..	549,189 440,513
Libraries—Grants and Subsidies .. .. .	..	..	201,106 177,033	110,633 103,620	39,608 40,539	3,183 2,256	29 60	3,978 5,144	65,000 54,645	..	..	..	..	423,537 383,297
School and Office Equipment and Requisites	198,828 156,855	1,339 940	457,911 419,326	897,006 861,665	46,527 16,351	33,262 23,120	44,997 46,952	140,576 126,773	176,378 176,512	..	..	58,640 66,683	..	2,055,464 1,895,177
Text Books, Publications, Examination Expenses, Postage and Telephone Expenses, Incidentals	177,654 194,188	6,817 3,972	46,951 47,445	30,072 30,129	139,857 119,647	3,868 2,690	9,370 7,929	285,829 276,682	41,699 36,778	..	..	..	..	742,117 719,460
School Cleaning and Services	2,277 2,304	..	3,572,293 3,088,813	3,092,843 2,662,375	11,150 9,560	97,672 77,998	4,372 3,649	15,219 19,649	263,149 190,080	..	..	..	..	7,059,975 6,054,428
Conveyance of Pupils .. .. .	..	..	2,328,982 2,192,093	2,943,502 2,795,101	1,098,485 1,093,188	157,280 153,311	..	7,626 10,157	..	..	..	..	..	8,030,383 7,642,353
Bursaries, Scholarships and Maintenance Allowances	2,503 3,582	..	4,364 5,101	1,249,009 1,174,851	515,434 473,454	1,587 1,548	185 179	.. 721	6,028 5,250	..	..	1,485,994 1,390,668	8,514 7,835	2,998,208 2,851,080
Operating Costs—Hostels and Residential Camps .. .. .	..	..	..	..	..	26,553 30,244	..	51,980 54,887	..	852,271 869,428	..	..	..	930,804 954,559
Buildings and Residences—Capital Expenditure	696,188 81,909	..	8,105,921 7,392,742	8,097,236 8,833,629	8,119,324 7,588,740	417,878 342,979	18,077 155	6,218 9,766	668,399 609,740	57,817 52,111	..	..	..	26,182,058 24,911,971
Buildings and Residences—Maintenance Expenditure	5,181 89	..	3,185,651 3,235,458	1,331,836 1,079,443	807,039 805,430	15,801 45,239	17,736 166	3,567 2,814	206,680 228,113	71,003 51,397	..	..	..	5,644,494 5,448,149
Sites and Properties—Purchase of .. .. .	..	..	987,249 919,112	668,157 725,282	559,568 523,592	88,756 50,529	..	..	118,479 54,746	..	..	..	..	2,422,391 2,273,261
Grants, &c.	201,107 185,773	..	183 443	2,386 2,626	14,592,305 11,796,125	18,514 4,700	..	30,299 28,787	105,000 95,000	..	23,215,977 19,429,549	2,900,063 2,976,463	..	41,065,834 34,519,466
Fees—Universities and other .. .. .	..	..	..	..	..	..	..	..	719,460 681,573	..	..	..	..	719,460 681,573

APPENDIX D.

SUMMARY OF RECEIPTS AND PAYMENTS FOR YEAR ENDED 30TH JUNE, 1969, 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 Agricultural College, Dookie ..	5,758	..	558	6,316	108,620	28,881	3,981	141,482	135,166
Agricultural College, Dookie, Stock Trading Account ..	81,230	37,508	29,161	147,899	374,658	180,454	132,196	687,308	539,409
Agricultural College, Longerenong	35,224	..	35,224	..	46,127	..	46,127	10,903
Agricultural College, Longerenong, Stock Trading Account ..	37,833	28,742	13,019	79,594	210,710	85,741	31,968	328,419	248,825
Dairy College, Glenormiston	9,280	..	9,280	..	5,255	..	5,255	Cr. 4,025
Dairy College, Glenormiston, Stock Trading Account	11,727	1,413	13,140	35,262	14,811	16,950	67,023	53,883
Gilbert Chandler Institute of Dairy Technology, Werribee	8,224	..	8,224	..	5,788	..	5,788	Cr. 2,436
S.S. Cameron Laboratory, Werribee ..	105	5,114	2,932	8,151	45,335	36,821	74,832	156,988	148,837
Dairy Research Station, Ellinbank ..	588	14,533	247	15,368	75,457	54,045	14,595	144,097	128,729
Dairy Research Station, Ellinbank, Stock Trading Account	14,315	3,545	17,860	61,976	24,597	57,052	143,625	125,765
Research Station, Mildura	7,563	..	7,563	..	7,225	..	7,225	Cr. 338
Research Station, Scoresby	15,669	2	15,671	20,332	9,782	25,703	55,817	40,146
Research Station, Tatura	12,739	433	13,172	60,302	32,327	63,032	155,661	142,489
Potato Research Station, Healesville	47,292	6,418	53,710	63,121	45,335	14,431	122,887	69,177
Healesville Stock Trading Account	2,852	1,251	4,103	41,002	18,832	17,670	77,504	73,401
Viticultural Station, Rutherglen	911	..	911	..	1,813	..	1,813	902
Research Station, Rutherglen	7,504	1,033	8,537	33,461	4,735	1,197	39,393	30,856
Research Station, Rutherglen, Stock Trading Account	6,503	4,194	10,697	76,789	35,713	109,335	221,837	211,140
Research Farm, Werribee	22,297	..	22,297	..	26,598	..	26,598	4,301
Research Farm, Werribee, Stock Trading Account	10,821	26,912	37,733	111,319	66,287	42,838	220,444	182,711
Mallee Research Station, Walpeup	29,785	..	29,785	..	27,662	..	27,662	Cr. 2,123
Mallee Research Station, Walpeup, Stock Trading Account	9,538	6,931	16,469	39,318	17,981	4,697	61,996	45,527
Tobacco Research Station, Myrtleford	4,540	..	4,540	..	3,343	..	3,343	Cr. 1,197
Tobacco Research Station, Myrtleford, Stock Trading Account	453	453	12,644	1,516	864	15,024	14,571
Pastoral Research Station, Hamilton	911	..	911	..	3,418	..	3,418	2,507
Pastoral Research Station, Hamilton, Stock Trading Account	20	1,037	1,057	49,603	32,936	53,791	136,330	135,273
Irrigation Research Station, Kyabram	62,740	..	62,740	..	75,751	..	75,751	13,011
Irrigation Research Station, Kyabram, Stock Trading Account	11,371	1,154	12,525	35,263	16,131	12,933	64,327	51,802
Veterinary Research Institute "Attwood", Broadmeadows	14,121	..	14,121	..	4,771	..	4,771	Cr. 9,350
Vegetable Research Station, Frankston	30	..	30	6,806	4,473	274,986	286,265	286,235
Wheat Research Institute, Horsham	38	238	11,084	5,399	21,766	38,249	38,011
	16,123	1,080	..	17,203	17,203
	125,514	431,874	100,931	658,319	1,489,185	925,628	974,817	3,389,630	2,731,311

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

Agricultural College, Dookie, Stock Trading Account—The above statement does not include a payment to Consolidated Revenue of \$30,000, being surplus funds in the Stock Trading Account.

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	2	<i>Legislative Assembly—</i>			
		2	Office requisites and equipment, printing and stationery	1,800	1,200	- 600
		3	Books and publications, other incidental expenses	5,300	5,900	+ 600
3			<i>Legislative Council and Legislative Assembly House Committee—</i>			
	1	1	Salaries and allowances	38,343	38,401	+ 58
		2	Overtime and penalty rates	3,000	2,942	- 58
	2	1	Travelling and subsistence	230	233	+ 3
		2	Office requisites and equipment, printing and stationery	15	12	- 3
PREMIER.						
7			<i>Governor's Office—</i>			
	2	2	Office requisites and equipment, printing and stationery	2,650	2,600	- 50
		3	Books and publications, other incidental expenses	925	675	- 250
		4	Postal and telephone expenses	1,590	1,540	- 50
		5	Motor vehicles—Purchase and running expenses	1,850	2,200	+ 350
8			<i>Premier's Office—</i>			
	1	2	Salaries and allowances	302,444	298,456	- 3,988
		3	Overtime and penalty rates	41,500	44,838	+ 3,338
		4	Payments in lieu of long service leave	3,706	4,356	+ 650
	2	1	Travelling and subsistence	13,100	12,747	- 353
		2	Office requisites and equipment, printing and stationery	7,000	6,969	- 31
		3	Books and publications, other incidental expenses	8,000	5,604	- 2,396
		4	Postal and telephone expenses	5,500	6,000	+ 500
		5	Motor vehicles—Purchase and running expenses	42,450	39,295	- 3,155
		6	Publicity	9,000	4,409	- 4,591
		7	Expenses of entertainment of visitors, &c., late sittings of Parliament, funerals, memorials, &c.	30,000	36,052	+ 6,052
		8	Air travel of Members of Parliament, Ministers, &c., fares over Commonwealth Railways	10,000	13,974	+ 3,974
9			<i>State Film Centre—</i>			
	1	1	Salaries and allowances	77,075	77,185	+ 110
		2	Overtime and penalty rates	3,750	3,640	- 110
	2	1	Travelling and subsistence	2,750	2,880	+ 130
		2	Office requisites and equipment, printing and stationery	5,250	4,860	- 390
		3	Books and publications, other incidental expenses	3,500	3,100	- 400
		4	Postal and telephone expenses	3,500	3,760	+ 260
		5	Motor vehicles—Purchase and running expenses	4,000	4,400	+ 400
10			<i>Soil Conservation Authority—</i>			
	1	1	Salaries and allowances	540,002	540,472	+ 470
		2	Overtime and penalty rates	1,000	385	- 615
		3	Payments in lieu of long service leave	2,491	2,636	+ 145
	2	1	Travelling and subsistence	22,250	22,499	+ 249
		2	Office requisites and equipment, printing and stationery	7,250	7,236	- 14
		3	Books and publications, other incidental expenses	12,100	12,098	- 2
		5	Motor vehicles—Purchase and running expenses	24,000	23,979	- 21
		6	Laboratory and other equipment	1,000	788	- 212
11			<i>State Development—</i>			
	2	1	Travelling and subsistence	6,300	5,878	- 422
		2	Office requisites and equipment, printing and stationery	2,600	3,000	+ 400
		3	Books and publications, other incidental expenses	11,200	11,350	+ 150
		4	Postal and telephone expenses	1,000	891	- 109
		5	Motor vehicles—Purchase and running expenses	5,550	5,547	- 3
		6	Regional Committees	5,500	5,498	- 2
		7	Publicity	8,500	8,486	- 14
13			<i>Public Service Board—</i>			
	1	1	Salaries and allowances	512,500	504,528	- 7,972
		3	Payments in lieu of long service leave	5,429	13,401	+ 7,972
	2	2	Office requisites and equipment, printing and stationery	26,600	13,301	- 13,299
		3	Books and publications, other incidental expenses	55,900	69,199	+ 13,299
14			<i>Audit Office—</i>			
	2	1	Travelling and subsistence	23,000	22,220	- 780
		2	Office requisites and equipment, printing and stationery	2,050	2,450	+ 400
		5	Motor vehicles—Purchase and running expenses	2,200	2,580	+ 380
CHIEF SECRETARY.						
15			<i>Chief Secretary's Office—</i>			
	1	2	Salaries and allowances	216,863	216,839	- 24
		3	Overtime and penalty rates	3,300	3,324	+ 24
	2	1	Travelling and subsistence	2,000	2,700	+ 700
		2	Office requisites and equipment, printing and stationery	6,700	5,505	- 1,195
		3	Books and publications, other incidental expenses	5,000	6,350	+ 1,350
		5	Motor vehicles—Purchase and running expenses	6,900	6,045	- 855
	3	1	Commissions and Boards of Enquiry	5,000	345	- 4,655
		8	Country Art Galleries—Grants	47,800	52,455	+ 4,655
16			<i>Totalizator Administration—</i>			
	1	1	Salaries and allowances	37,144	37,152	+ 8
		2	Overtime and penalty rates	50	42	- 8
	2	1	Travelling and subsistence	6,750	6,811	+ 61
		2	Office requisites and equipment, printing and stationery	250	243	- 7
		3	Books and publications, other incidental expenses	1,850	1,796	- 54
21			<i>Government Shorthand Writer—</i>			
	2	1	Travelling and subsistence	1,000	745	- 255
		2	Office requisites and equipment, printing and stationery	575	536	- 39
		3	Books and publications, other incidental expenses	5,700	5,995	+ 295
		4	Postal and telephone expenses	150	149	- 1
22			<i>Government Statist—</i>			
	1	1	Salaries and allowances	369,005	369,008	+ 3
		2	Overtime and penalty rates	13,800	13,797	- 3
	2	2	Office requisites and equipment, printing and stationery	42,000	41,349	- 651
		4	Postal and telephone expenses	16,800	17,451	+ 651
23			<i>Social Welfare Administration and Research and Statistics—</i>			
	1	1	Salaries and allowances	202,624	200,274	- 2,350
	1	2	Overtime and penalty rates	6,000	8,350	+ 2,350
	2	1	Travelling and subsistence	3,250	2,910	- 340
		2	Office requisites and equipment, printing and stationery	7,200	7,522	+ 322
		5	Motor vehicles—Purchase and running expenses	2,300	2,318	+ 18
24			<i>Family Welfare—</i>			
	1	1	Salaries and allowances	1,219,857	1,215,578	- 4,279
		2	Overtime and penalty rates	143,700	146,015	+ 2,315
		3	Payments in lieu of long service leave	2,277	4,241	+ 1,964
	2	1	Travelling and subsistence	38,100	40,351	+ 2,251
		2	Office requisites and equipment, printing and stationery	6,000	7,500	+ 1,500
		3	Books and publications, other incidental expenses	47,000	46,987	- 13
		4	Postal and telephone expenses	13,900	14,562	+ 662
		5	Motor vehicles—Purchase and running expenses	11,400	12,394	+ 994
		6	Fuel, light, power and water	41,000	35,891	- 5,109
		9	Maintenance of migrant children	500	215	- 285

APPENDIX E.—continued.

Vote.			Particulars.	Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase — Decrease
Division.	Sub-Division.	Item.				
CHIEF SECRETARY—continued.						
				\$	\$	\$
25	2	1	<i>Youth Welfare—</i>			
		1	Travelling and subsistence	16,250	17,837	+ 1,587
		3	Books and publications, other incidental expenses	1,000	1,550	+ 550
		4	Postal and telephone expenses	12,500	15,390	+ 2,890
		5	Motor vehicles—Purchase and running expenses	16,000	18,000	+ 2,000
		7	Stores, provisions, plant, equipment, and other expenses of governmental institutions, homes and hostels	333,000	325,560	— 7,440
		8	Expenses including grants and subsidies in connexion with State wards, youth trainees and young persons formerly accommodated in institutions, in private board, non-governmental institutions and hostels	279,300	277,713	— 1,587
		9	Allowances to trainees	52,000	54,000	+ 2,000
	3	1	Youth Advisory Council—Fees and travelling expenses	850	550	— 300
		2	Rail travel for parents visiting trainees in Youth Training Centres	2,000	2,300	+ 300
26			<i>Prisons—</i>			
	1	1	Salaries and allowances	1,823,574	1,809,544	— 14,030
		2	Overtime and penalty rates	465,000	466,760	+ 1,760
		3	Payments in lieu of long service leave	9,194	21,464	+ 12,270
	2	1	Travelling and subsistence	23,450	23,445	— 5
		2	Office requisites and equipment, printing and stationery	4,600	5,700	+ 1,100
		3	Books and publications, other incidental expenses	1,000	974	— 26
		4	Postal and telephone expenses	16,400	16,508	+ 108
		5	Motor vehicles—Purchase and running expenses	42,850	42,849	— 1
		7	Stores, provisions, equipment and other expenses of gaols, penal establishments and prison farms	442,000	440,842	— 1,158
		8	Materials for manufacture	257,000	256,982	— 18
27			<i>Training—</i>			
	3	1	Social Welfare Training Council—Fees and travelling expenses	1,250	815	— 435
		2	Bursaries to students in youth leadership and child care	16,880	16,042	— 838
		3	Fees to lecturers in youth leadership and child care	5,000	6,273	+ 1,273
28			<i>Probation and Parole—</i>			
	2	1	Travelling and subsistence	19,000	19,190	+ 190
		2	Books and publications, other incidental expenses	1,000	955	— 45
		3	Motor vehicles—Purchase and running expenses	4,100	3,955	— 145
29			<i>Police—</i>			
	1	1	Salaries and allowances	22,631,263	22,635,857	+ 4,594
		2	Overtime and penalty rates	323,000	285,414	— 37,586
		3	Payments in lieu of long service leave	250,000	282,992	+ 32,992
	2	1	Travelling and subsistence	559,200	569,746	+ 10,546
		2	Books and publications, other incidental expenses	235,000	226,907	— 8,093
		7	Personal equipment, uniforms, clothing and bedding	130,000	125,715	— 4,285
		8	Radio, photographic, scientific and training equipment and materials	69,900	69,243	— 657
		10	Transport of prisoners, search parties and traffic school—Travelling expenses, &c.	56,000	55,739	— 261
		11	Burials	10,000	11,977	+ 1,977
		12	Provisions for police hospital	6,700	7,490	+ 790
		13	Police Long Service and Good Conduct Medals	200	183	— 17
31			<i>State Library, National Museum and Institute of Applied Science Administration—</i>			
	2	3	Books and publications, other incidental expenses	22,300	24,800	+ 2,500
		5	Fuel, light, power and water	25,600	23,100	— 2,500
32			<i>State Library—</i>			
	1	1	Salaries and allowances	499,786	499,600	— 186
		3	Payments in lieu of long service leave	3,455	3,641	+ 186
33			<i>National Museum—</i>			
	2	1	Travelling and subsistence	4,000	3,300	— 700
		5	Motor vehicles—Purchase and running expenses	3,000	3,700	+ 700
34			<i>Institute of Applied Science—</i>			
	1	1	Salaries and allowances	74,432	74,396	— 36
		3	Payments in lieu of long service leave	1,781	1,817	+ 36
36			<i>Immigration—</i>			
	2	1	Travelling and subsistence	7,500	7,150	— 350
		3	Books and publications, other incidental expenses	750	850	+ 100
		4	Postal and telephone expenses	3,400	3,650	+ 250
LABOUR AND INDUSTRY.						
37			<i>Labour and Industry—</i>			
	2	1	Travelling and subsistence	61,800	62,650	+ 850
		5	Motor vehicles—Purchase and running expenses	16,350	15,499	— 851
		6	Expenses of Boards and Industrial Appeals Court	15,000	15,001	+ 1
	3	1	Apprenticeship Commission—Fees and allowances	4,500	4,602	+ 102
		2	Industrial Appeals Court—Remuneration of President, Deputy President, Members and Deputy Members	2,100	2,140	+ 40
		6	Subsidies to Apprentices attending continuous courses of instruction remote from places of residence or work	50,000	49,858	— 142
EDUCATION.						
38			<i>Education—</i>			
	2	1	Travelling and subsistence	460,000	517,000	+ 57,000
		2	Books and publications, other incidental expenses	448,285	369,110	— 79,175
		3	Postal and telephone expenses	245,000	244,997	— 3
		4	Motor vehicles—Purchase and running expenses	15,100	14,808	— 292
		6	School maintenance—Towards cleaning, fuel, light, postage and other minor items, sanitary and other rates	1,791,000	1,826,752	+ 35,752
		7	Visual education	125,000	118,644	— 6,356
		9	Manual training	142,000	141,975	— 25
		10	Libraries—Subsidies and grants for libraries	424,700	423,538	— 1,162
		11	Expenses in connexion with examinations	144,715	143,044	— 1,671
		12	Refund of school fees, rents, &c.	10,000	5,932	— 4,068
	3	1	Scholarships and bursaries (fees and allowances) and allowances for maintenance and requisites	2,995,000	2,982,034	— 12,966
		2	Subsidies to holders of free places and senior scholarships (University and Technical)	13,000	12,819	— 181
		3	Allowances to students in training	13,850,000	13,853,692	+ 3,692
		7	Students attending schools under reciprocal arrangements with other States—Maintenance and allowances	11,900	11,871	— 29
		9	Speech therapy and psychology tests, &c.—Travelling expenses of country children and parents	10,000	9,984	— 16
		10	Expenses in connexion with residential group activities of students in training and pupils at Somers and elsewhere	52,000	51,981	— 19
		16	Australian Council for Educational Research—Grant	13,800	11,040	— 2,760
		21	Adult Education Fund—To supplement annual appropriation	127,000	139,566	+ 12,566
		22	Expenses in connexion with the provision of emergency temporary accommodation for pupils of "Christ the King" School, Braybrook, destroyed by fire	4,900	4,570	— 330
		24	Subsidies for fencing school endowment plantations	500	543	+ 43
39			<i>Teachers' Tribunal—</i>			
	2	1	Travelling and subsistence	675	848	+ 173
		2	Office requisites and equipment, printing and stationery	800	1,340	+ 540
		3	Books and publications, other incidental expenses	4,300	4,610	+ 310
	2	4	Postal and telephone expenses	2,000	1,357	— 643
		5	Motor vehicles—Purchase and running expenses	3,250	2,870	— 380

APPENDIX E.—continued.

Vote.			Particulars.	Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase - Decrease
Division.	Sub-Division.	Item.				
ATTORNEY-GENERAL.						
				\$	\$	\$
40	1	2	<i>Attorney-General—</i>			
		2	Salaries and allowances	1,582,957	1,573,443	- 9,514
		3	Overtime and penalty rates	42,000	38,252	- 3,748
		4	Payments in lieu of long service leave	10,293	23,555	+ 13,262
	2	1	Travelling and subsistence	44,750	40,844	- 3,906
		2	Office requisites and equipment, printing and stationery	51,000	50,662	- 338
		3	Books and publications, other incidental expenses	40,000	38,333	- 1,667
		4	Postal and telephone expenses	13,500	16,539	+ 3,039
		5	Motor vehicles—Purchase and running expenses	7,500	7,481	- 19
		6	Fuel, light, power and water	25,000	26,457	+ 1,457
		7	Allowances to witnesses	15,000	14,890	- 110
		8	Juries—Expenses	380,000	381,544	+ 1,544
41			<i>Courts Administration—</i>			
	2	1	Travelling and subsistence	125,000	124,994	- 6
		2	Office requisites and equipment, printing and stationery	44,100	44,076	- 24
		3	Books and publications, other incidental expenses	75,000	67,649	- 7,351
		4	Postal and telephone expenses	65,000	65,056	+ 56
		8	Allowances to witnesses	115,000	120,000	+ 5,000
		9	Refunds of fines	2,000	4,325	+ 2,325
42			<i>Registrar-General and Registrar of Titles—</i>			
	1	2	Overtime and penalty rates	60,000	58,118	- 1,882
		3	Payments in lieu of long service leave	11,195	13,077	+ 1,882
44			<i>Rent Control—</i>			
	1	1	Salaries and allowances	57,676	60,068	+ 2,392
		2	Payments in lieu of long service leave	7,676	5,284	- 2,392
	2	1	Travelling and subsistence	1,400	1,598	+ 198
		2	Office requisites and equipment, printing and stationery	200	132	- 68
		3	Books and publications, other incidental expenses	250	120	- 130
45			<i>Public Trustee—</i>			
	1	1	Salaries and allowances	520,023	514,111	- 5,912
		2	Overtime and penalty rates	18,000	20,595	+ 2,595
		3	Payments in lieu of long service leave	21,156	24,473	+ 3,317
	2	1	Travelling and subsistence	3,150	3,172	+ 22
		5	Publicity	2,500	2,478	- 22
TREASURER.						
46			<i>Treasury—</i>			
	1	2	Salaries and allowances	295,500	293,899	- 1,601
		4	Payments in lieu of long service leave	16,163	17,764	+ 1,601
	2	1	Travelling and subsistence	2,500	2,521	+ 21
		2	Office requisites and equipment, printing and stationery	11,750	12,530	+ 780
		3	Books and publications, other incidental expenses	1,550	1,730	+ 180
		5	Motor vehicles—Purchase and running expenses	2,250	1,675	- 575
	2	6	Refunds of moneys unclaimed over six years and transferred to Consolidated Revenue	1,500	1,094	- 406
	3	2	Payment to New Zealand Government in respect of subscriptions in New Zealand to Tattersall Consultations	250,000	250,846	+ 846
		29	For cultural development and grants in connexion therewith	170,000	186,680	+ 16,680
		35	For payment of subsidies to registered schools towards interest on moneys borrowed for the provision of secondary school buildings	250,000	171,154	- 78,846
		36	For payment of capitation grants to registered schools	2,750,000	2,746,961	- 3,039
		37	For payment of grants towards expenses of teacher training for registered schools	35,000	96,359	+ 61,359
		49	British Commonwealth Day Movement—Grant	500	2,000	+ 1,500
		60	National Council of Women of Victoria—Grant	2,000	3,000	+ 1,000
		82	Victorian Family Council—Grant	3,000	3,500	+ 500
49			<i>State Superannuation Board—</i>			
	1	1	Salaries and allowances	133,960	134,609	+ 649
		2	Overtime and penalty rates	17,500	16,851	- 649
		2	Office requisites and equipment, printing and stationery	23,800	23,330	- 470
		5	Motor vehicles—Purchase and running expenses	280	750	+ 470
50			<i>Registry of Co-operative Housing Societies and Co-operative Societies and Home Finance Administration—</i>			
	2	2	Office requisites and equipment, printing and stationery	10,200	9,950	- 250
		5	Motor vehicles—Purchase and running expenses	450	700	+ 250
51			<i>Taxation Office—</i>			
	2	1	Travelling and subsistence	37,000	40,000	+ 3,000
		3	Books and publications, other incidental expenses	500,000	497,000	- 3,000
52			<i>Stamp Duties—</i>			
	1	1	Salaries and allowances	349,567	356,296	+ 6,729
		2	Overtime and penalty rates	35,000	28,271	- 6,729
		4	Postal and telephone expenses	32,000	33,470	+ 1,470
		6	Commission on sale of duty stamps, &c.	130,000	128,530	- 1,470
53			<i>Government Printer—</i>			
	1	1	Salaries and allowances	1,490,450	1,502,558	+ 12,108
		2	Overtime and penalty rates	150,000	155,603	+ 5,603
		3	Payments in lieu of long service leave	50,000	32,289	- 17,711
LANDS AND SURVEY.						
54			<i>Lands and Survey—</i>			
	1	3	Overtime and penalty rates	26,000	25,504	- 496
		4	Payments in lieu of long service leave	37,042	37,538	+ 496
	2	1	Travelling and subsistence	244,000	243,689	- 311
		3	Books and publications, other incidental expenses	20,000	20,001	+ 1
		4	Postal and telephone expenses	36,200	36,196	- 4
		5	Motor vehicles—Purchase and running expenses	10,700	10,514	- 186
	2	6	Fuel, light, power and water	10,450	10,950	+ 500
	3	2	Aerial survey—Purchase of instruments, machines, equipment and other expenses	136,000	144,750	+ 8,750
		8	Maintenance, improvements and management of Buchan Caves and Park	9,600	10,000	+ 400
		9	Repairs, alterations and maintenance of Crown property (including cost of maintaining improvements on closer settlement land vacant or held under purely temporary lease)	700	50	- 650
		10	Surveying Cadetships	4,520	3,020	- 1,500
		11	Expenses in connexion with Port Phillip Authority	30,000	23,000	- 7,000
55			<i>Botanic and Domain Gardens and National Herbarium—</i>			
	2	2	Office requisites and equipment, printing and stationery	3,225	2,575	- 650
		3	Books and publications, other incidental expenses	4,375	5,025	+ 650
		4	Postal and telephone expenses	1,250	1,450	+ 200
		5	Motor vehicles—Purchase and running expenses	2,000	1,800	- 200
PUBLIC WORKS.						
56			<i>Public Works—</i>			
	3	2	Rents and allowances in lieu thereof	878,105	879,374	+ 1,269
		3	Municipal and other authorities—Rates and charges	395,000	394,963	- 37
		6	Murray levees—Repairs and other expenses	10,000	8,988	- 1,012
		8	Government House and Grounds, Melbourne—Furniture, fittings, repairs, renewals, fuel, light, &c., including contribution towards domestic service	69,000	68,780	- 220
57			<i>Ports and Harbors—</i>			
	1	1	Salaries and allowances	307,823	304,848	- 2,975
		3	Payments in lieu of long service leave	4,078	7,053	+ 2,975
	3	5	Marine Board—Fees and other expenses	12,000	13,220	+ 1,220
		7	Westernport—Operating expenses	400,000	398,780	- 1,220

APPENDIX E.—continued.

Vote.			Particulars.	Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase - Decrease
Division.	Sub- Division.	Item.				
LOCAL GOVERNMENT.						
				\$	\$	\$
58	3	1	<i>Local Government—</i> Municipal Auditors, Municipal Clerks, Municipal Electrical Engineers, Municipal Engineers, Municipal Scaffolding Inspectors, and Municipal Building Surveyors Boards—Fees and expenses	2,210	1,733	- 477
		2	Local Government Advisory Board—Fees	500	336	- 164
		3	Building Regulations Committee—Fees	2,500	1,968	- 532
		4	Scaffolding Regulations Committee—Fees	2,900	891	- 2,009
		5	Interim Development Order Appeals Board—Fees	10,000	11,497	+ 1,497
		6	Valuers' Qualification Board—Fees	660	568	- 92
	3	7	Land Valuation Boards of Review—Fees	9,000	10,777	+ 1,777
59	1	1	<i>Weights and Measures—</i> Salaries and allowances	154,382	155,744	+ 1,362
		2	Overtime and penalty rates	2,000	638	- 1,362
	2	1	Travelling and subsistence	17,800	19,692	+ 1,892
		2	Office requisites and equipment, printing and stationery	2,500	2,430	- 70
		3	Books and publications, other incidental expenses	3,700	3,699	- 1
		4	Postal and telephone expenses	2,750	2,745	- 5
		5	Motor vehicles—Purchase and running expenses	17,000	17,506	+ 506
		6	Materials and equipment	9,600	7,278	- 2,322
60	2	2	<i>Town and Country Planning Board—</i> Office requisites and equipment, printing and stationery	9,700	9,414	- 286
		5	Motor vehicles—Purchase and running expenses	1,600	1,886	+ 286
MINES.						
61	1	3	<i>Mines—</i> Overtime and penalty rates	2,500	2,497	- 3
		4	Payments in lieu of long service leave	9,030	9,033	+ 3
	2	1	Travelling and subsistence	13,550	13,566	+ 16
		2	Office requisites and equipment, printing and stationery	11,500	11,492	- 8
		4	Postal and telephone expenses	6,900	6,895	- 5
		5	Motor vehicles—Purchase and running expenses	27,600	27,597	- 3
62	1	1	<i>Explosives—</i> Salaries and allowances	107,542	105,613	- 1,929
		2	Payments in lieu of long service leave	1,992	3,921	+ 1,929
		1	Travelling and subsistence	2,700	3,112	+ 412
		2	Office requisites and equipment, printing and stationery	1,950	1,757	- 193
		3	Books and publications, other incidental expenses	3,600	3,455	- 145
		4	Postal and telephone expenses	2,150	2,144	- 6
		6	Fuel, light, power and water	200	183	- 17
		7	Laboratory equipment, safety equipment, chemicals and materials	1,250	1,199	- 51
AGRICULTURE.						
64	1	2	<i>Agriculture Administration—</i> Salaries and allowances	906,978	895,823	- 11,155
		4	Payments in lieu of long service leave	19,675	30,830	+ 11,155
	2	2	Office requisites and equipment, printing and stationery	29,400	23,600	- 5,800
		4	Postal and telephone expenses	51,000	55,000	+ 4,000
		6	Fuel, light, power and water	1,700	3,500	+ 1,800
	3	1	Victoria Dock Cool Stores—Equipment and running expenses	223,200	222,100	- 1,100
		7	Contribution to costs of Tractor Testing Station, Werribee	10,000	11,100	+ 1,100
65	3	1	<i>Agricultural Education—</i> 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	707,000	707,718	+ 718
		2	College of Horticulture, Burnley—Equipment and running expenses	126,500	127,060	+ 560
		3	Dairy College, Glenormiston—Equipment, livestock and running expenses	34,000	35,667	+ 1,667
		5	Agricultural Cadetships and Scholarships	49,881	46,936	- 2,945
66	3	1	<i>Agriculture—</i> Research Station, Werribee—Equipment, livestock and running expenses	140,000	141,371	+ 1,371
		7	Seed Testing Station, Burnley—Equipment and running expenses	10,000	10,150	+ 150
		8	Irrigated pasture experiments	19,400	19,091	- 309
		9	Agricultural experimental and extension work	32,700	31,488	- 1,212
67	1	1	<i>Horticulture—</i> Salaries and allowances	1,098,901	1,099,335	+ 434
		2	Overtime and penalty rates	55,000	54,566	- 434
		4	Postal and telephone expenses	5,100	4,950	- 150
		6	Fuel, light, power and water	2,600	2,750	+ 150
	3	1	Viticultural Station, Rutherglen—Equipment, plants, seeds, &c., and running expenses	22,450	22,552	+ 102
		2	Research Station, Tatura—Equipment, plants, seeds, &c., and running expenses	68,000	70,000	+ 2,000
		5	Vegetable Research Station, Frankston	11,500	12,182	+ 682
		6	Vegetable experimental and extension work	9,500	10,193	+ 693
		7	Horticultural experimental and extension work	17,500	17,379	- 121
		8	Expenses in connexion with the control of fruit fly	130,000	131,500	+ 1,500
		10	Market News Service—Expenses	7,850	7,256	- 594
		11	Market inspection	11,500	7,238	- 4,262
68	2	4	<i>Animal Health—</i> Postal and telephone expenses	3,100	4,000	+ 900
		8	Compensation under the <i>Cattle Compensation Act 1958</i> , No. 6216	35,000	37,000	+ 2,000
		9	Compensation under the <i>Swine Act 1958</i> No. 6389	13,000	10,100	- 2,900
	3	2	Veterinary scholarships and cadetships	48,856	49,616	+ 760
		3	Expenses in connexion with footrot control	49,000	48,240	- 760
69	3	1	<i>Animal Industry—</i> S. S. Cameron Laboratory (Animal Research), Werribee—Equipment, livestock and running expenses	117,000	118,162	+ 1,162
		3	Poultry investigation and advisory work	6,500	6,736	+ 236
		4	Livestock experimental and extension work	3,500	2,494	- 1,006
		5	Pasture experimental and extension work	5,000	4,608	- 392
70	1	1	<i>Dairying—</i> Salaries and allowances	737,096	737,176	+ 80
		2	Overtime and penalty rates	500	420	- 80
	3	1	Dairy Research Station, Ellinbank—Equipment, livestock and running expenses	60,000	63,128	+ 3,128
		2	Gilbert Chandler Institute of Dairy Technology, Werribee—Equipment and running expenses	58,200	57,803	- 397
		3	Dairy technology Scholarships and Cadetships	24,700	21,969	- 2,731
HEALTH.						
72	1	2	<i>Health Administration—</i> Salaries and allowances	215,697	216,694	+ 997
		3	Overtime and penalty rates	5,300	5,144	- 156
		4	Payments in lieu of long service leave	10,417	9,576	- 841
	2	1	Travelling and subsistence	3,250	3,450	+ 200
		2	Office requisites and equipment, printing and stationery	2,920	3,120	+ 200
		3	Books and publications, other incidental expenses	3,300	3,231	- 69
		4	Postal and telephone expenses	4,040	4,039	- 1
		5	Motor vehicles—Purchase and running expenses	3,850	2,947	- 903
		6	Medical and dental expenses, &c., at penal establishments	23,000	23,859	+ 859
		7	Health Education—Expenses	4,000	3,714	- 286

APPENDIX E.—continued.

Vote.			Particulars.	Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase — Decrease
Division.	Sub-Division.	Item.				
HEALTH—continued.						
				\$	\$	\$
73	1	1	<i>General Health—</i>			
		1	Salaries and allowances	784,291	784,293	+ 2
		2	Overtime and penalty rates	3,000	2,998	— 2
	2	1	Travelling and subsistence	26,000	25,200	— 800
		2	Office requisites and equipment, printing and stationery	3,760	3,950	+ 190
		3	Books and publications, other incidental expenses	7,700	6,580	— 1,120
		4	Postal and telephone expenses	9,630	10,750	+ 1,120
		7	General infectious diseases	125,000	125,800	+ 800
		9	Plumbers' and Gasfitters' Board—Expenses	5,000	4,820	— 180
		10	Cinematograph Operators' Board—Expenses	740	920	+ 180
		13	Proprietary medicines—Expenses (including fees of members of committee)	3,885	3,695	— 190
	3	2	Subsidies to municipalities, &c., towards home-help schemes (including direct assistance)	710,000	707,124	— 2,876
		3	To meet cost of travel of State-owned transport for people of limited means requiring treatment at public hospitals	85,500	88,376	+ 2,876
74			<i>Tuberculosis—</i>			
	1	1	Salaries and allowances	1,637,915	1,629,290	— 8,625
		2	Payments in lieu of long service leave	16,056	24,681	+ 8,625
	3	1	State Sanatoria—Maintenance and treatment expenses including payments to consultants, Australian Red Cross Society, &c., for visiting services	432,000	440,000	+ 8,000
		2	Preventive measures concerning tuberculosis—Publicity, bureaux maintenance, diagnostic facilities, research, &c.	674,700	703,000	+ 28,300
		3	Tuberculosis wards at hospitals and other institutions—Maintenance and other expenses, including payments to consultants, Australian Red Cross Society, &c., for visiting services and reimbursement of hospital charges in respect of tuberculosis patients in special cases	1,067,000	1,030,700	— 36,300
75			<i>Maternal and Child Welfare—</i>			
	1	1	Salaries and allowances	1,182,856	1,172,367	— 10,489
		3	Payments in lieu of long service leave	7,391	17,880	+ 10,489
	2	1	Travelling and subsistence	25,400	23,289	— 2,111
		2	Office requisites and equipment, printing and stationery	4,000	4,590	+ 590
		3	Books and publications, other incidental expenses	26,000	20,969	— 5,031
		4	Postal and telephone expenses	6,900	6,980	+ 80
		5	Motor vehicles—Purchase and running expenses	7,700	6,440	— 1,260
		6	Ante Natal Clinics—Sessional fees and expenses of medical officers and nurses	15,000	14,836	— 164
		7	School medical and dental expenses	212,000	211,888	— 112
		8	Medical, dental and pharmaceutical expenses in connexion with children under care of Social Welfare Branch of Chief Secretary's Department	100,000	107,419	+ 7,419
		9	Expenses in connexion with infant welfare and pre-school scholarships	95,514	96,763	+ 1,249
		10	Department of Health Kindergarten and Infant Welfare Centre, Preston—Expenses	300	201	— 99
		11	Rail passes, &c., infant welfare nurses, pre-school directors, &c.	3,200	2,639	— 561
	3	1	Subsidies to various authorities towards cost of maintaining kindergartens and pre-school centres	2,120,000	2,121,169	+ 1,169
		2	Subsidies towards cost of maintaining creches and day nurseries	192,700	191,500	— 1,200
		3	Consultative Council on Maternal Mortality—Fees and other expenses	6,500	6,843	+ 343
		6	Subsidies towards infant welfare schools and mothercraft training schools	72,200	72,019	— 181
		7	Dental Hospital—Subsidy towards cost of dental services to pre-school children	8,000	7,869	— 131
76			<i>Mental Hygiene—</i>			
	1	1	Salaries and allowances	14,490,331	14,475,412	— 14,919
		2	Overtime and penalty rates	2,300,000	2,326,702	+ 26,702
	1	3	Payments in lieu of long service leave	120,000	108,217	— 11,783
	2	1	Travelling and subsistence	83,000	79,082	— 3,918
		2	Office requisites and equipment, printing and stationery	60,000	54,650	— 5,350
		3	Books and publications, other incidental expenses	60,000	51,744	— 8,256
		4	Postal and telephone expenses	119,000	132,900	+ 13,900
		6	Fuel, light, power and water	830,000	910,350	+ 80,350
		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 Pentridge	3,350,000	3,229,000	— 121,000
		8	Medicines and drugs, including medical laboratory and surgical sundries	580,000	624,274	+ 44,274
FUEL AND POWER.						
77			<i>Ministry of Fuel and Power—</i>			
	2	1	Travelling and subsistence	1,350	295	— 1,055
		2	Office requisites and equipment, printing and stationery	1,800	3,077	+ 1,277
		3	Books and publications, other incidental expenses	1,350	1,200	— 150
		4	Postal and telephone expenses	700	1,228	+ 528
		5	Motor vehicles—Purchase and running expenses	1,800	1,200	— 600
RAILWAY CONSTRUCTION.						
78			<i>Railway Construction Board—</i>			
	2	1	Travelling and subsistence	1,000	1,069	+ 69
		2	Office requisites and equipment, printing and stationery	1,600	1,594	— 6
		3	Books and publications, other incidental expenses	700	685	— 15
		4	Postal and telephone expenses	960	954	— 6
		6	Pay-roll tax	1,620	1,578	— 42
TRANSPORT.						
79			<i>Ministry of Transport—</i>			
	2	2	Office requisites and equipment, printing and stationery	1,100	1,128	+ 28
		3	Books and publications, other incidental expenses	810	782	— 28
WATER SUPPLY.						
81			<i>State Rivers and Water Supply Commission—</i>			
	1	1	Salaries and allowances	6,074,647	6,033,160	— 41,487
		3	Payments in lieu of long service leave	100,000	141,487	+ 41,487
	2	1	Travelling and subsistence	159,000	162,014	+ 3,014
		2	Office requisites and equipment, printing and stationery	90,000	89,986	— 14
		3	Books and publications, other incidental expenses	98,000	90,648	— 7,352
		4	Postal and telephone expenses	60,000	60,982	+ 982
		5	Fuel, light, power and water	21,000	21,237	+ 237
		6	Workers' Compensation Insurance	177,500	177,635	+ 135
		7	Rent	10,900	10,888	— 12
		8	Contour surveys, private services, tapping mains, excavator hire and other recoverable expenses	90,000	89,942	— 58
		9	River gaugings, investigations, soil surveys, &c.	75,000	74,998	— 2
		10	Central workshops and store yards	86,000	88,186	+ 2,186
		11	Repairs and maintenance of buildings	70,000	70,891	+ 891
		12	Pay-roll tax	281,000	280,993	— 7
	3	1	Coliban—Materials and other expenses	210,000	204,187	— 5,813
		2	Irrigation, water supply and drainage districts—Materials and other expenses	2,200,000	2,105,915	— 94,085
		3	Waterworks districts and public tanks—Materials and other expenses	1,100,000	1,076,981	— 23,019
		4	Flood protection districts—Materials and other expenses	69,000	59,301	— 9,699
		5	Removal of sand drift	105,000	108,888	+ 3,888

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	3	6	<i>State Rivers and Water Supply Commission—continued.</i> Private diversions including headworks, Lake Corangamite Project and Eildon Sewerage District—Materials and other expenses	65,000	67,460	+ 2,460
..	..	8	Subsidies to sewerage authorities in cases where the interest paid on capital liability is in excess of the rate 3 per cent	1,200,000	1,312,505	+ 112,505
..	..	9	Subsidies to Waterworks Trusts, Local Governing Bodies and River Improvement Trusts where interest is in excess of 3 per cent on loans raised under Act No. 6413	62,000	70,611	+ 8,611
..	..	10	Subsidies to Waterworks Trusts and Local Governing Bodies in certain cases where the effective water rate exceeds the equivalent of 17·5 cents in the dollar, net annual valuation	3,500	9,305	+ 5,805
..	..	11	Surveying cadetships	9,500	8,847	— 653
			STATE COAL MINE.			
82	<i>State Coal Mine—</i>			
..	3	2	Coal Mine Workers' Pensions Fund—Contribution	21,980	12,817	— 9,163
..	..	3	Superannuation charges	8,000	17,163	+ 9,163
			PART II. RAILWAYS.			
83	<i>Railways—</i>			
..	1	1	Traffic Branch and Commercial Branch	32,639,450	33,019,161	+ 379,711
..	..	2	Way and Works Branch	22,329,810	22,371,877	+ 42,067
..	..	3	Rolling-stock Branch	31,387,900	30,712,937	— 674,963
..	..	4	Electrical Engineering Branch	4,814,610	4,573,967	— 240,643
..	..	7	General expenses	5,706,800	5,784,804	+ 78,004
..	..	9	Railway Accident and Fire Insurance Fund—Contribution	1,700,000	2,115,824	+ 415,824

APPENDIX " F "

A copy of a case submitted and the opinion thereon by the Solicitor-General is appended in accordance with the provisions of Sub-section (2) of Section 47 of the *Audit Act 1958*.

19th June, 1969.

The Crown Solicitor,
Crown Solicitor's Office,
459 Lonsdale Street,
Melbourne. 3000.

Dear Sir,

re EGG AND EGG PULP MARKETING BOARD—
CARRYING FORWARD OF SURPLUS MONEYS.

Recently the Egg and Egg Pulp Marketing Board raised with me the question of the power of the Board to carry forward surplus moneys from one pool period to another. The Board's wish to carry forward, for the first time, such moneys is stated to be based on a desire to establish a means of preventing undue fluctuations in prices.

In connection with the matters raised with me, the Secretary of the Board provided me with a copy of a legal opinion dated 24th April, 1969, obtained from Mr. W. O. Harris, Q.C., and an explanatory letter dated 19th May, 1969, from Messrs. Mallesons, the Board's Solicitors. A copy of each of these documents is attached. In the second last paragraph of Messrs. Mallesons' letter the expression: "confirms the correctness of the accounting procedure adopted and approved by the Auditor General in relation to the \$58,466 in the 1967-68 accounts" apparently refers to the fact that the Board's final accounts for 1967-68 as certified by me showed the "Operating surplus for the year" as \$245,971 with a note that this amount was "Subject to final distribution to producers and other allocations and to a contingent liability of \$58,466 to the Poultry Industry Trust Fund".

The Board decided that the \$245,971 was to be allocated thus:—

	\$
Final distribution to producers	95,578
Costs of final distribution.. .. .	1,500
Contingent liability to Commonwealth Poultry Industry Trust Fund ..	58,466
*Transfer to General Reserve	90,427
	245,971

* Subject to approval of the Governor in Council in terms of Section 20 (1) (i) of the *Marketing of Primary Products Act 1958*.

It is understood that it is now unlikely that the Board will be required to repay the amount of \$58,466 to the Poultry Industry Trust Fund.

Moneys received by the Board include not only proceeds from the sale of eggs and egg products but, also among other receipts, payments from the Poultry Industry Trust Fund. Payments received from this Fund in 1968-69 show a substantial increase over 1967-68 and, as a consequence of decisions given in certain High Court cases, include moneys in respect of levies payable by producers in respect of previous pool periods.

I would be pleased if you would let me have your comments on the opinion of Mr. W. O. Harris, Q.C., and the explanatory letter from Messrs. Mallesons and if you would advise me, also, in particular, on the following questions:—

- (1) Has the Egg and Egg Pulp Marketing Board the power :
 - (a) to carry forward surplus or undistributed moneys from a pool period to a succeeding pool period ; or
 - (b) to transfer to the pool period 1968-69 the amount of \$58,466 shown as a contingent liability to the Poultry Industry Trust Fund as at the close of the pool period 1967-68 ?
- (2) Could the Board, pursuant to the provisions of Section 20 (1) (i) of the *Marketing of Primary Products Act 1958*, transfer moneys to a reserve fund to be used for the Board's purpose of preventing undue fluctuations in prices ?

As the Board wishes to deal immediately with decisions related to the allocation of its surplus moneys as at the end of its 1968-69 pool period, I would appreciate it if you would be so good as to treat this matter as urgent.

Yours faithfully,

(Signed) A. J. A. GARDNER,
Auditor General.

APPENDIX " F "—*continued*.

MALLESONS
Solicitors & Notaries

105 King Street,
Melbourne, Vic., 3000
19th May, 1969.

D. K. Bain, Esq.,
General Manager,
The Egg & Egg Pulp Marketing Board,
37 Fennell Street,
Port Melbourne, Vic., 3000,

Dear Sir,

Re : CARRYING FORWARD OF SURPLUS FUNDS
MARKETING OF PRIMARY PRODUCTS ACT, SECTION 48.

We refer to the Opinion we recently obtained for you from Mr. W. O. Harris, Q.C.

The conclusions reached by Mr. Harris on the matters of immediate concern to the Board may be summarised thus :—

1. The \$58,466 left over in the Board's hands from the 1967-68 pool is not distributable to 1967-68 pool participants but for all purposes is money in the hands of the Board in the current pool year to be dealt with indiscriminately from proceeds of marketing and other moneys received in the current pool year.
2. Paragraph 1 (b) (iv) of Section 48 does not confer a power to appropriate moneys out of funds in the Board's hands in or at the end of the current pool year, for use in subsidizing payments to producers in 1969-70 pool year, and/or other future pool years.
3. However, there is no obligation imposed on the Board at the end of a pool year to distribute under paragraph 1 (a) (iii) of Section 48 all moneys in its hands not otherwise expended or appropriated.
4. Legally, therefore, Section 48 permits the Board to carry forward from one year's pool account to the next year's pool account as "undistributed surplus" such moneys as in its discretion the Board may think fit.

But Section 48 is as Mr. Harris points out, an extremely difficult Section to interpret and consequently the Opinion is complicated and must be studied at length if one is to understand the reasoning which has led to the above conclusions.

It will assist however if the following matters are appreciated at the outset :—

Section 25.

The power to carry over undistributed funds referred to in 4 above is peculiar to The Egg & Egg Pulp Marketing Board and other boards (if any) operating under Section 48 (pursuant to a proclamation under Section 26).

Every Board operating under Section 25 must distribute the whole of the net proceeds of marketing in any pool year, except only moneys deducted in accordance with Sections 20 (i) and 25 (2) and (3).

This is expressly concluded by Mr. Harris at the bottom of page 3 and top of page 4 of his Opinion, and is not intended to be contradicted by the bracketed references to Section 25 (1) which appear on page 11.

What Mr. Harris is saying on page 11 is that if one looks just at the requirement in Section 48 that final payments shall be made "out of any surplus moneys" and the requirement in Section 25 (1) that a Board shall make payments "out of the proceeds of any commodity disposed of . . . and out of any other moneys . . . received", neither of these of *itself* imposes any obligation to distribute the whole of the moneys referred to, so that if one is to conclude that any such obligation exists one must find that it appears from some other part of Section 25 or Section 48.

In the case of Section 25 Mr. Harris decided that the effect of the other parts of that Section was to impose such an obligation (see paragraph (d) on page 3).

APPENDIX " F "—*continued.*

In the case of Section 48, however, his conclusion was that there was also nothing elsewhere in the Section which showed that any such obligation was intended and that, on the contrary, taken as a whole the Section appeared intended not to impose any such obligation (see pages 9 and 10).

Section 48 (1) (b) (iv).

Mr. Harris says that the reason why paragraph (1) (b) (iv) does not permit deduction of moneys to be used for future subsidization purposes as proposed is that the language used is simply incapable of being construed as permitting deductions for such a purpose.

We have reservations about this conclusion which of course is contrary to the immediate thoughts we had on the matter, when you initially suggested that the desired carrying forward of funds could be effected under this provision.

Having now closely studied this point in the light of Mr. Harris' observations, we are convinced that it is impossible to advise positively that the proposed carrying forward of funds could lawfully be effected by making a deduction under paragraph (1) (b) (iv).

In any event it is really unnecessary to consider this aspect of the matter further, if it is open to the Board to carry the moneys concerned over into next year's pool simply as undistributed surplus because clearly it will be preferable to do it this way, rather than to declare a large final payment and then deduct the greater part of it.

Section 48 (1) (a) (iii).

The fact that an undistributed surplus balance carried forward in the manner contemplated by Mr. Harris will become simply moneys in the Board's hands in the next pool year does not mean that the Board may not decide to carry it forward with a view to using it to subsidize payments to producers in the next year.

On the contrary, we would expect that in its annual accounts the Board would wish expressly to state that the reason for carrying the undistributed balance forward is for the purpose of so using it.

There is nothing in Mr. Harris' Opinion which prevents this from being done.

In fact it is precisely analogous to what was done last pool year in relation to the \$58,466.

This was not set aside or allocated by means of a deduction effected under Section 48 (1) (b).

As appears on page 10 of the Board's Annual Report for 1967-68, this money, forming part of the 1967-68 surplus, was not distributed at all, and was simply carried over into the 1968-69 pool fund.

The reason why the Board decided to carry forward the \$58,466 is different from the reason why it now wishes to carry a larger amount forward into 1969-70.

But the Board's reasons for what it may do in this connection are a matter of commercial judgment.

Section 48 (1) (a) says nothing about the Board's motives or reasons.

Either the Board may decline to distribute the whole of the surplus, or it may not.

Mr. Harris says that under the terms of Section 48 (1) (a) it may and thus confirms the correctness of the accounting procedure adopted and approved by the Auditor General in relation to the \$58,466 in the 1967-68 accounts.

We trust that these observations prove of assistance, and now await your further instructions.

Yours faithfully,

MALLESONS

APPENDIX " F "—*continued.*

IN THE MATTER of the
Marketing of Primary Products
Act 1958

and

IN THE MATTER of the
Egg and Egg Pulp Marketing
Board.

OPINION.

The Egg and Egg Pulp Marketing Board (hereinafter called " the Egg Board ") is a Board set up under the *Marketing of Primary Products Act 1958* to deal with the collective marketing of eggs and egg pulp. A number of questions have arisen relating to the position of the Board with respect to the way in which the Board can deal with money it has received from the sale of eggs and from other sources, with respect to the Board's powers to provide for expenses actual and anticipated, and with respect to the Board's obligations to make payments to producers. To answer these questions necessitates examining the provisions in the Act which deal with payments to producers by boards generally and those which deal with payments by the Egg Board to producers of eggs.

It has been said by the High Court of the general provisions in this Act that :—

" The provision for the distribution of the proceeds is expressed somewhat indefinitely, a not uncommon feature of clauses dealing with the division of proceeds found in statutory instruments for collective marketing and pooling."

(*Shanahan v Scott* (1957) 96 C.L.R. 245 at p. 251).

These general provisions are still expressed " somewhat indefinitely " and are now to be found in s. 25 of the Act.

That section deals with the following matters :—

- (a) The source from which payments are to be made to producers ;
- (b) The formula or test which determines the way in which the amount of payments to producers shall be made ;
- (c) The extent to which boards may recover operational and other similar expenses ; and
- (d) The nature of the obligation of boards to make payments to producers.

It is convenient to deal with these matters in the order set out above.

(a) The source from which payments are to be made is " the proceeds of any commodity disposed of by the board " and " any other moneys (excepting the proceeds of a levy under this Act) received by the board ". The payments are to be made " out of " these two sources but as will appear from the provisions relating to the formula according to which payments are to be made a board is not bound to distribute to producers the whole of the proceeds and the other moneys referred to. They are only the fund from which the payments may be made.

(b) The Act states that the payments to producers are to be made " on the basis of " the formula then set out. The words " on the basis of ", in my opinion, introduce a formula which must be applied and do not merely state a guide within which a board must act.

The formula is to take on the one hand " the net proceeds of the sale of all the commodity of the same quality or standard delivered to the board during or covering such periods of time as are prescribed " and on the other hand to take " the proportion of the commodity so delivered by such producer . . . during each such period ". Section 25 (1) requires that formula to be applied to each producer who has made a delivery of the relevant commodity to the board and the result of so applying it must be to divide up the whole of the net proceeds of the sale of the commodity among such producers in proportion to the quantities delivered by each of them. A board is given a power to take into account " any other circumstances which it considers relevant " in determining the amount of such payments.

This may authorise the reduction of the total sum which would otherwise be distributable, so that producers would not receive the whole of the net proceeds, but the effect of the words is not clear. At most, it is a qualification on the obligation to distribute the whole of the net proceeds.

(c) The amounts which may be taken out of the proceeds of sale of a commodity to arrive at the " net proceeds " of such sale are specified in s. 25 (2). Broadly speaking they cover the costs of marketing the commodity and of administering the board.

Section 25 (2) is expressed as a power to " deduct " these items of expenditure from the proceeds of sale.

" This provision relates to deductions which are to be made from the proceeds of the sale of the commodity before what may be described as the beneficial surplus can be distributed to producers of the commodity ".

(per Latham C. J. in *Hopper v. Egg and Egg Pulp Marketing Board (Vic.)* (1939) 61 C.L.R. 665 at 672).

A board also has a power to deduct from payments freight charges (s. 25 (3)). These charges are charges applicable to the particular producer to whom payment is to be made whereas the deductions under s. 25 (2) relate to items which must be borne by the producers generally.

APPENDIX " F "—*continued.*

(d) The nature of the obligation of the board to make payments is to be found in the words of s. 25 (1) which state that "every board shall . . . make payments to each producer . . .". This can be contrasted with the words of s. 25 (2) and (3) where it is stated that "the board may deduct" the matters referred to in those sub-sections. In my opinion, the effect of s. 25 (1) is to impose a duty on the board to pay out to producers the whole of the "net proceeds" as defined in s. 25 (1) to producers who have delivered quantities of the commodity to the board subject to the qualification introduced by the power to take into account "other circumstances". The board must pay these moneys in accordance with the formula prescribed i.e., each producer is entitled to get a proportionate part of the net proceeds depending upon the relationship between the quantity he has delivered and the total quantity sold (c.f. s. 25 (1A) which relates to tobacco leaf).

Thus, in my opinion, the general provisions relating to payments to producers by boards have as their basic principle a sale of the whole of the relevant commodity by a board and the distribution by the board of the whole of the proceeds of sale less expenses among the producers of the commodity in accordance with the extent to which each producer has contributed towards the total quantity of the commodity sold.

There are two other matters relating to the general provisions to which reference should be made.

The first is that boards generally have a power to make "advances according to the commodity delivered to the board" (s. 27 (3)). This section states that "any such advances" and "any payment made on account of such commodity" may be made at such times and on such conditions as the board thinks fit. In substance, this is a power to boards generally to make progress payments on account of the total amount to which producers are entitled under s. 25 (1).

The other general provision relates to an additional way in which boards may obtain funds to defray administrative expenses and to pay the advances which have just been referred to and to obtain funds for some other purposes. This is the power under s. 35 to make levies on producers. The Act does not define what a "levy" is but, in my opinion, it is a sum which producers can be required to pay and which the board then must use for the purposes specified in s. 35 (3). A levy is not a loan though obviously if a levy is raised to defray expenses it will have an effect upon the deductions which would otherwise be made under s. 25 (2).

It is now necessary to turn from the general provisions of the Act to the particular ones dealing with the Egg Board. These provisions are to be found in s. 48 (an incidental matter is also to be found in s. 41c (7)).

Section 48 contains detailed provisions relating to payments made by a board constituted in relation to egg or eggs and egg pulp. These provisions operate "Notwithstanding anything in s. 25 of this Act" (s. 48 (1)). In my opinion, the effect of these introductory words is that when considering obligations of the Egg Board with respect to making payments to producers one must look solely at s. 48 and treat s. 25 "as though it had not been made" (see *Strouds Judicial Dictionary* 3rd Ed. Vol. 3 p. 1931). This conclusion, in my opinion, follows not only from the use of the word "notwithstanding" but also from the difference in the nature of the provisions found in s. 48 from that of the provisions in s. 25.

The same four subject-matters as are set out in (a) (b) (c) and (d) above are also dealt with in s. 48 but in a way which is substantially different from the way in which they are dealt with in s. 25.

As to (a), i.e., the source from which payments are to be made, s. 48 (1) (a) states that insofar as "final payments" are concerned, the source of such payments are "any surplus moneys in the hands of the board at the end of any prescribed period of time". The meaning of this expression will be dealt with later.

The section does not specify the source from which the other payments ("progress payments" and "premium payments") which are referred to in the section are to be made. Nevertheless, as s. 48 entitles the Egg Board to make "progress payments" and "premium payments" and clearly to make such payments before it makes the "final payments" referred to in that section, it must be entitled to make the payments out of some source. In my opinion, this source must be any funds which are "in the hands of the board" at the time when the payments are made except moneys raised by levies (s. 35 (3)).

As to (b), i.e., the formula or test by which payments are to be made by the Egg Board, the position is more complicated than it is in the case of boards generally. It is necessary to look at each of the three kinds of payments which may be made in the sequence in which they are mentioned in s. 48.

Under s. 48 (1) (a) (i), the Egg Board may make "progress payments" to each producer of the commodity delivered to the board . . . in respect of the commodity from time to time so delivered by him and at or about the time of each such delivery". Although the words are "progress payments", in the plural, in my opinion, what is meant is that one progress payment is made to each producer. As the Egg Board has many producers who deliver eggs to it, the board has to make many payments; hence the use of the plural. "Progress payments" are familiar features of a number of types of contract and normally such contracts provide that the progress payments are to be calculated by making a provisional assessment of the value of the goods or services supplied and allowing as a progress payment part of this value. When the contract has been completed, such progress payments are to be brought into account when the final entitlement of the party is known.

In s. 48 (1) (a) (i), a formula or method of calculating the amount of the progress payments is prescribed but it is not the same as the formula provided for the calculation of the "final payments". Progress payments are to be made "on the basis of the price for the time being fixed by the board for the commodity of the same grade quality or standard as that so delivered", but "final payments" are to be made "on the basis of the total amount of the commodity (irrespective of grade quality or standard) so delivered by such producer . . . during such prescribed period of time" (s. 48 (1) (a) (iii)).

APPENDIX " F "—*continued.*

The words " on the basis of " could have a different meaning in s. 48 (1) from their meaning in s. 25 (1). One view would be that the board was required on the one hand to take the " price " therein referred to, and on the other hand, to decide what part of that " price " was to be paid to the producers by way of a progress payment, without being under any obligation to make by way of such progress payment a payment which equalled the " price ". The other view would be that s. 48 (1) (a) (i) required the board to pay the whole of the " price " to the producers by a progress payment, in the same way as, under s. 25 (1), boards generally are required to make payments " on the basis of " the net proceeds of the sale of a commodity and the proportion of the commodity delivered.

In my opinion, the latter view is the correct one. I reach this conclusion from the words used with respect to the " price " on the basis of which the progress payment is to be made.

The sub-section does not lay down any criteria by which this " price " is to be " fixed ", but it is a " price for the commodity " and, in my opinion, is a " price " to be paid to the producer, not a price to be paid by buyers to the Egg Board although this is contrary to the general tenor of the Act, which does not operate on the basis of boards buying commodities at a price from producers but operates on the basis of boards selling the commodities produced by the producers and accounting to producers for the proceeds of sale by making payments to the producers (who are, in a sense, the principals on whose behalf a board sells).

Furthermore, the Egg Board has no power to fix prices in the sense of determining the price at which eggs may be sold by wholesale or by retail under a price control system. As I understand it, the Egg Board has to sell the eggs delivered to it as best it can.

In my opinion, the words used lead to the conclusion that what the Egg Board has to do is to decide upon a figure which is to be the figure in relation to which the progress payments shall be made. Although this figure is described in the sub-section as a " price ", it cannot be a " price " in the sense in which that word is normally understood. As the board is left at large in fixing the price, presumably, the figure which it would take as the " price " would be a conservative estimate of the amount which the board expected it would obtain for the eggs delivered to it, bearing in mind that some would be sold on the domestic market at a relatively high price and others would have to be sold on the export market at a much lower price. Also, in my opinion, the board could allow for the costs of marketing and other expenses in arriving at the " price " although the Act does in fact expressly authorise deductions from progress payments for expenses under s. 48 (1) (b). In the case of progress payments, there does not seem to be anything in the Act which compels the board to fix a price without reference to costs and expenses and to calculate the amount to be paid out for progress payments and then deduct from such payments amounts for costs and expenses under s. 48 (1) (b). The " price " may, in my opinion, be anything at all, provided it is fixed in relation to grade, quality or standard.

The next class of payment referred to in the Act is the " premium payment " (s. 48 (1) (a) (ii)). " Premium payments " are described in such a way as to show that the payments are a kind of bonus paid to producers whose eggs are of such a quality that they will assist the marketing of eggs generally or that they have been produced and handled by methods or under conditions which will assist or improve the marketing of eggs. Such bonus payments would clearly result in payments to producers generally being unequal although the quantities delivered were equal.

The third class of payment referred to is the " final payment " (s. 48 (1) (a) (iii)). What the Act says about " final payments " is that the board may make " final payments " and may make them " to each such producer ". " Each such producer " means " each producer of the commodity delivered to the board " (s. 48 (1) (a) (i)). The Act refers to " final payments " in the plural, just as it refers to " progress payments " in the plural, and in my opinion in this case, too, what is meant is " a final payment to each such producer ". Indeed, it is difficult to see how more than one " final payment " could be made to any one producer.

It is of critical importance to decide what is the source from which the " final payments " is to be made, what is the formula or test by which they are to be made and what is the obligation of the Egg Board with respect to making these payments and the " progress payments " and the " premium payments ".

The source of the final payments is stated as " any surplus moneys in the hands of the board at the end of any prescribed period of time ". This is quite a different expression from " the proceeds of sale of the commodity and any other moneys received by the board " which is the expression used in s. 25 (1).

Moneys which may be in the hands of the board at the end of any prescribed period could include moneys derived from sources other than its revenue from the proceeds of the sale of eggs. Thus the Egg Board may have moneys which represent the proceeds of the sale of properties of the Egg Board, moneys which came from the Commonwealth Poultry Industry Assistance Fund or moneys from a levy.

But it is not " moneys in the hands of the board " which is the source from which final payments are to be made. The moneys must be " surplus moneys ". The use of the word " surplus " indicates that the moneys must be what remains after something has been paid out. As the reference to " final payments " follows the references to " progress payments " and " premium payments ", in my opinion, the " surplus moneys " must be moneys from which at least the " progress payments " and " premium payments " have already been paid, treating the receipts of the Egg Board during the whole of a prescribed period as constituting the one fund of " moneys ".

The expression " surplus moneys " is also capable of being construed as what is left after all payments for expenditure during the relevant accounting period (i.e., " the prescribed period of time ") have been paid or allowed for. In fact, the Act, by s. 48 (1) (b) uses language which, in my opinion, requires the Egg Board to proceed rather differently.

APPENDIX " F "—*continued.*

Sub-section (1) (b) empowers the Egg Board to make deductions for the items listed in sub-paragraphs (i) to (v) from " any progress payment or final payment ". Though the word " payment " is used in the singular, in my opinion, the sub-section covers the case of a deduction being made from all the final payments which are to be made at any one time, of all the expenses and items described in sub-paragraphs (i) to (v).

The power to make deductions from final payments is expressly given with respect to the matters set out in those sub-paragraphs with the result that, in my opinion, the only power the Egg Board has to make deductions from final payments is for the items listed in sub-paragraphs (i) to (v). This grant of expressly limited powers has, in my opinion, the further consequence that the " surplus moneys " in s. 48 (1) (a) (iii) consists of gross revenue and other payments to the Egg Board, less only the progress payments and premium payments.

Hence, in my opinion, at the stage when the Egg Board is considering making final payments, it must consider first, what is the amount of its " surplus moneys ", secondly, what the amount of the final payments should be and thirdly, what deductions should be made from the final payments to cover the items in (b) (i) to (v). Of course, in fact, the Egg Board could not make a decision on the amount of the final payment until it had ascertained what was the total amount of " deductions " and furthermore, in fact, at least a large part of these " deductions " would already have been made, because a large amount of current expenses would necessarily be paid out during the course of any prescribed period whether or not such expenses were allowed for by " deductions " from progress payments or simply paid out of the Egg Board's funds. This would not, however, matter, as the Egg Board's task is to see what amount will be required for final payment, after the deductions have been made and to see whether this net amount can be paid " out of " the surplus moneys.

In my opinion, as the Act only requires the Egg Board to make the final payments " out of " the surplus moneys, the only relationship between the final payments and the surplus moneys which the Act imposes is that the amount required for the final payments, after deductions, shall be less than the " surplus moneys ". That is to say, in my opinion, the requirement in the Act that the final payments shall be made " out of any surplus moneys " does not of itself impose an obligation on the Egg Board to pay out to producers by way of final payments, less deductions, the whole of such " surplus moneys " (see and compare s. 25 (1) ; where, in my opinion, the same position prevails).

To see whether there is any such obligation, one must look at the formula or test set out in s. 48 (1) (a) (iii) by which the final payments have to be ascertained. (Again, see and compare s. 25 (1), where the same process must be gone through to see whether boards have to disburse all the moneys " out of " which payments are made to producers).

The formula or test by which the final payments are to be made is stated to be " on the basis of the total amount of the commodity (irrespective of the grade quality or standard) so delivered by such producer during such prescribed period of time ".

Here the expression used to introduce the formula is the same as that found in s. 25 (1), and, in my opinion, as in s. 25 (1), the use of the words " on the basis of " has the result that the Egg Board is required to apply the formula as a precise test and not merely as a guide.

The Egg Board must decide the amount of the final payment by the " total amount " of the eggs delivered by each producer during the whole of the prescribed period. This must mean that the total amount of all eggs delivered by all producers must be looked at first and that the total amount delivered by each producer must be looked at in relation to the total amount from all producers. Although only one element is stated in the formula i.e., volume of the commodity, as what the Egg Board is determining is a payment, it must be implied that a rate of payment, applicable to all producers, is to be determined according only to the quantity of eggs delivered. It could hardly be open to the Egg Board to fix different rates of payment for each producer despite the fact that the Act only refers to the total amount delivered by the producer to which the payment is made. (The Act switches from using the plural in reference to " payments " to the singular in reference to " producer ").

Having decided what the formula means, in my opinion, it then becomes apparent that the formula is one which, when applied, does not necessarily exhaust the whole of any particular fund. In this case, there is no reference to the " net proceeds of the sale of all the commodity of the same quality or standard " as there is in s. 25 (1). There is no indication in s. 48 (1) (a) (iii) that the whole of the net proceeds of the sale of eggs delivered by each producer should be distributed to that producer. The only thing the Act does is to impose, as the upper limit on the amount to be distributed by way of final payment less deductions, with respect to eggs delivered during any " prescribed period ", the amount of the " surplus moneys " of the Egg Board at the end of the prescribed period. The result is, in my opinion, that the Egg Board could make a distribution of its funds by way of final payments to producers which gave those producers more than or less than or the actual amount of the total of the net proceeds of the sale of the eggs delivered by them.

If the Egg Board decided to make " final payments " which did not exhaust the whole of the " surplus moneys ", it does not follow that the Egg Board could do what it liked with what was left over. It could only make specific allocations of its funds at the end of a prescribed period to one or more of the deductible items in s. 48 (1) (b), or to a reserve fund under s. 20 (1) (i). In my opinion, insofar as these deductions and any reserve fund under s. 20 (1) (i) did not reduce the surplus moneys to nil, any sum remaining would simply have to be carried forward to the next prescribed period and would be available for use during that prescribed period towards any of the Egg Board's functions, including the making of progress payments, premium payments and final payments. This carrying forward process could, in my opinion, go on from " prescribed time " to " prescribed time ", but once a sum had been carried forward, it would cease to be surplus moneys for the preceding period and it would therefore cease to be possible to make any payment to producers who had delivered eggs during that preceding period.

APPENDIX " F "—*continued.*

Having said this, it is still necessary to look at the terms of s. 48 (1) (b) (i) to (v) to see whether any of them authorise a specific appropriation of part of the money which would otherwise go in final payments, to a purpose which itself involved carrying forward the sum to the next prescribed period.

Sub-paragraphs (i) and (ii) deal with items which are plainly referable to the immediately preceding prescribed period.

Sub-paragraph (iii), which deals with sums necessary or estimated to be necessary to repay any advance made to the board and interest may or may not relate to the future. The sub-paragraph is apt to cover both the immediate repayment of an existing loan, and the repayment of an existing loan in the future, although one would hardly provide for interest which would accrue in the future. However, in my opinion, the reference to estimated sums is sufficient to show that a sum could be deducted in accordance with sub-paragraph (iii) to cover future repayments as well as immediate repayments.

Sub-paragraph (iv) permits deductions of :—

“ any sums necessary or estimated to be necessary to be expended to prevent undue fluctuations in the price of the commodity or to maintain the price of the commodity at a reasonable level ; ”

It is not at all clear to me what these words mean. What is a sum which it is necessary to expend to prevent undue fluctuations in the price of eggs ? One way in which it occurs to me in which the Egg Board could endeavour to prevent such fluctuations would be by market research and market promotion, but whether such expenditure would actually prevent any fluctuations is another matter. What is “ the price ” referred to ? Is it the wholesale price paid to the Egg Board either for domestic eggs or eggs sold for export ? Or is it the retail price of eggs ? Or is it something which is not really a “ price ” at all, viz., the “ price for the commodity ” which is referred to in s. 48 (1) (a) (i) ? The words are apt enough to cover prices paid to the Egg Board, or prices paid by consumers. It seems somewhat unusual to empower the Egg Board to make deductions to cover fluctuations in a “ price ” which is only the test for progress payments which the Egg Board can fix at a figure which bears no close relation to the current wholesale price of eggs and when the language of the Act does not speak of the Egg Board paying a price to producers, but of the Egg Board making payments to producers. Furthermore, it is hardly appropriate to speak of the Egg Board “ expending ” a sum by way of making payments to producers. What is paid to producers is paid by way of recompense for the eggs they are bound to deliver to the Egg Board ; what the Egg Board pays for services rendered to it in the course of selling those eggs is “ expended ” by the Egg Board.

The other parts of the sub-paragraph are subject to the same kind of criticisms as apply to the part which deals with undue fluctuations in price.

One supposes that the sub-paragraph may have been intended to give the Egg Board a power to enable it to create in a good year a fund to be used in a bad year to supplement payments to growers which would otherwise be abnormally low, but one has to be able to interpret the words used in a way which would achieve such an intention before one can express an opinion that the sub-paragraph has that effect. I am unable to interpret the words of the sub-paragraph in such a way with the result that, in my opinion, sub-paragraph (iv) is not a specific power given to the Egg Board to set aside sums for future use as payments to producers. It may enable sums to be set aside for future expenditure designed to prevent fluctuations in the wholesale or retail price of eggs and to maintain such prices at a reasonable level, but I express no concluded view on this.

Sub-paragraph (v) relates to sums for freight charges “ incurred or estimated to be incurred ”. Again, there is a problem in deciding whether “ estimated to be incurred ” refers to charges which have in fact been incurred but for which no exact amount has been charged or whether it refers to charges which it is estimated will be incurred in the future. In my opinion, the more likely interpretation is that it refers to charges already incurred and not to charges which will be incurred in the future, but it is unnecessary to express a final view on this point. As, in my opinion, the Egg Board’s powers to recoup expenses is limited to the deductions set out in s. 48 (1) (b), in my opinion, if no places have been prescribed to which eggs are to be delivered, no deductions can be made under (v), but, in my opinion, any proper charges for transporting eggs could be deducted under (i) as expenditure incurred in marketing the eggs.

In my opinion, the provisions of sub-sections (ba) (c) and (d) of s. 48 (1) (so numbered although there are no other sub-sections) do not assist in ascertaining the meaning of sub-sections (a) and (b).

The final observations to be made with respect to s. 48 (1) (a) and (b) is that all the functions given to the board under both (a) and (b) are given by permissive language. It is stated that the board “ may ” make the three types of payments referred to in s. 48 (1) (a) and that it “ may ” deduct from progress payments or final payments the items specified in s. 48 (1) (b).

Where a statute uses “ may ” and not “ shall ”, it does not necessarily follow that only a discretionary power as distinct from a mandatory duty is conferred on a body. This is a problem frequently encountered in statutory interpretation. Prima facie, no mandatory duty is created where the word “ may ” is used but “ may ” is usually interpreted as imposing a duty to exercise the power where the power is granted to effectuate legal rights of individuals (*Halsbury* 3rd Ed. Vol. 36 p. 433).

In s. 48 (1) (a), it might be thought that Parliament intended that producers should be entitled to receive payments of some kind from the Egg Board but sub-section (a) is drafted so that the word “ may ” qualifies the power to make all three kinds of payments. Consequently, in my opinion, either there is a duty to make all three kinds of payments or it is within the discretion of the Egg Board whether it makes any payment. Section 48 (1) (a) is to be contrasted with s. 25 (1), where it is provided

APPENDIX " F "—*continued.*

that boards " shall " make payments and to be read with s. 48 (1) (b), where the power to make deductions is also expressed in permissive form. In my opinion, the result of these various factors, coupled with the improbability that the Egg Board would be bound to make " premium payments ", is that the power to make all three kinds of payment is permissive only, though it would seem obviously impracticable for the Egg Board to refuse to make any payments at all for eggs delivered during a prescribed period.

Apart from the powers specifically given to the Egg Board under s. 48, powers are given to boards generally in s. 20 (1). The only one of these which it is material to mention is that contained in s. 20 (1) (i) which provides that a board :—

" may deduct from the net proceeds of the sale of the commodity an amount not exceeding Five twenty-fourths of a cent in the dollar of such proceeds or such larger amount as the Governor in Council approves for the purpose of establishing a reserve fund to be used for any purpose in connexion with the operations of the board ; "

In my opinion, this sub-paragraph applies to the Egg Board. The reserve fund can only be created by deducting the amounts from " the net proceeds of the sale of the commodity " and it would, therefore, not be open to the Egg Board to create such a fund out of its " surplus moneys " generally. Subject to that qualification, in my opinion, the Egg Board itself could set up a reserve fund under s. 20 (1) (i). In so far as the amount of the deduction exceeded 5/24ths of a cent in the dollar, the approval of the Governor in Council would be required. In my opinion, such a reserve fund could either be established for some specific purpose or for the purposes of the Egg Board generally. If it were established for a specific purpose, the purpose would have to be one " in connexion with the operations of the board ". If it were established for general purposes, it would then be a " reserve fund to be used in connexion with the operations of the board ".

There still remains one further matter to be dealt with. This is the position with respect to amounts which the Egg Board receives and which come from the Poultry Industry Trust Fund.

That Fund is created under a Commonwealth Act called the " *Poultry Industry Assistance Act 1965* " (No. 21 of 1965 as amended by No. 66 of 1966). Sections 6 and 6A of that Act are as follows :—

" 6. Moneys standing to the credit of the Fund may be expended in accordance with an approval of the Minister given under either of the next two succeeding sections, but shall not be otherwise expended.

6A. (1) The Minister may from time to time approve the payment to a State, out of moneys standing to the credit of the Fund, by way of financial assistance, of such amount or amounts as he determines after taking into account any recommendations made to him by the Council.

(2) Payment of an amount to a State in accordance with an approval given under this section is subject to the condition that the amount will be applied by the State for the assistance of the poultry industry and will be so applied in accordance with the directions, if any, of the Minister."

The scheme thus provided for payments involves any payment by the Commonwealth being made to the State of Victoria. The Commonwealth Minister may make the payment subject to conditions, but such conditions would be binding (if binding at all) on the State and not on the body to which the State paid over the money. Hence, insofar as the Egg Board has received money from the Poultry Assistance Trust Fund, in my opinion, it has received the money from the State of Victoria. Any obligation to repay any of such money would have to be to the State of Victoria and would only arise if the State (i.e., the Victorian Minister) imposed some conditions which required the repayment of the money in certain eventualities and if the Egg Board accepted these conditions. In my opinion, this situation is not affected by the actual way in which payments are arranged through the Reserve Bank.

In fact, the Egg Board did receive money which came from the Fund and did not distribute part of this amounting to \$58,466. As far as can be seen, there does not appear to be any obligation on the Egg Board to repay this money to anyone.

Hence, in my opinion, this sum of \$58,466 forms part of the " surplus moneys " of the Egg Board and can be used as part of the money to pay " final payments " and to defray the " deductions " under s. 48 (1) (b). If it is not used for that purpose, in my opinion, it can simply be carried forward from one prescribed period to the next, when once again it will form part of the " surplus moneys " at the end of that period, unless it is used as the source from which " progress payments " or " premium payments " are made.

APPENDIX " F "—*continued.*

It is now possible to turn to the questions on which my opinion is sought. These questions, and the answers which, in my opinion, ought to be given to them are :—

1. Q. Under Section 48 is the Board obliged after the end of the 1968–69 period to declare final payments under Section 48 (1) (a) (iii) which will account for—

(a) the whole of the " operating surplus " for that period and/or

(b) all moneys whatsoever in the hands of the Board at the end of that period save only moneys which are already or are held to be transferred under Section 20 (1) (i) to reserve ?

A. I am not able to relate the terms used in the accounts with the provisions of the Act in s. 48 and s. 35.

However, on the assumption that the " operating surplus for the year " is " surplus moneys in the hands of the board " at the end of a period, in my opinion, the answer to (a) is " No ". The answer to (b) depends on whether all the moneys are " surplus moneys " or not, and if they are, whether any " deductions " need to be made. (If the " Marketing Charge Contributed by Producers " is a " levy " within s. 35, that money can only be used for administrative expenses, though s. 35 does not expressly stipulate that these shall be the expenses of the prescribed period during which the levy is raised).

2. Q. If yes to 1, could the Board then deduct from such final payments under Section 48 (1) (b) (iv) a sum which it estimated to be necessary to be expended in the 1969–70 period to prevent undue price fluctuations and/or to maintain egg and pulp prices at reasonable levels ?

A. Does not arise.

3. Q. Would it be open to the Board instead merely to carry forward in its books a sum of \$100,000, as being required for future expenditure to prevent undue price fluctuation and maintain egg prices at reasonable levels, and to transfer under Section 20 (1) (i) and declare as final payments only such sums as may be required to dispose of the remainder of the 1968–69 operating surplus ?

A. No, it would not be open to the Egg Board to carry forward \$100,000 for future expenditure to prevent undue price fluctuation and maintain egg prices at reasonable levels, in view of my opinion that s. 48 (1) (b) (iv) does not authorise this. It is not apparent what is to be transferred to a reserve fund under s. 20 (1) (i) but, in my opinion, the Egg Board could make a transfer to such a reserve fund, provided the conditions mentioned earlier are observed. As, in my opinion, the Egg Board can dispose of the whole or only part of its " surplus moneys " (and I again assume that the " operating surplus " is " surplus moneys "), the Egg Board could make final payments of such part of this sum as it thought fit, whether the deduction or reserve fund were made or not.

4. Q. If yes to 3, in what way would the sum so carried forward be required to appear in the Board's accounts and balance sheet ?

A. Does not arise.

5. Q. Can the \$58,466 left over from 1967–68 be regarded as money in the hands of the Board in 1968–69 or must it be the subject of either a transfer to reserve under Section 20 (1) (i) or a further final payment under Section 48 (1) (a) (iii) to producers who delivered in 1967–68 ?

A. The \$58,466 can be regarded as money in the hands of the Egg Board in 1968–69. It does not have to be the subject of either a transfer to reserve under s. 20 (1) (i) or of a " further " final payment under s. 48 (1) (a) (iii) to producers who delivered in 1967–68.

6. General observations—

It will be appreciated from the contents of this Opinion and the answers I have given to the questions that I regard the Act as a difficult one to construe.

W. O. HARRIS

APPENDIX " F "—*continued.*

Office of the Solicitor General,
 Crown Law Offices,
 459-461 Lonsdale Street,
 Melbourne, C.1
 1st July, 1969.

Memorandum for : The Crown Solicitor

EGG AND EGG PULP MARKETING BOARD—
 OPINION

The Auditor General has sought my opinion on a number of questions which has arisen in relation to the annual accounts of the Egg and Egg Pulp Marketing Board to which, for the sake of brevity, I shall refer as "the Egg Board". Broadly speaking, the questions relate to the power of the Board to carry over moneys from one year to another and it is therefore necessary at the outset to endeavour to define the obligations of the Board in relation to the disposal of moneys in its hands, so far as these obligations are prescribed by the *Marketing of Primary Products Act 1958*.

The Act contains provisions relating to marketing boards generally (Part I Division 1) and provisions relating to the Egg Board in particular (Part I Division 2). Section 25, which is found in Part I Division 1, deals with payments to producers by marketing boards generally, while Section 48, which is found in Part I Division 2, deals with payments to producers by the Egg Board.

It is first necessary to consider the inter-relationship of Sections 25 and 48. Section 48 commences with the words "Notwithstanding anything in Section 25" and it therefore is at least clear that to the extent that the provisions of Section 48 are inconsistent with the provisions of Section 25, the provisions of Section 48 prevail. I do not agree, however, with the view that the commencing words of Section 48 necessarily involve that the provisions of Section 25 have no application to the Egg Board. It is, in my opinion, not uncommon for the words "notwithstanding anything in Section —" simply to have the effect of modifying in particular circumstances the operation of the section referred to and not of completely eradicating them. In each case the problem is one of construction. If the over-riding section is found to cover only part of the field covered by the subordinate section, it may well be that the provisions of the subordinate section are intended to apply insofar as they relate to matters not dealt with by the over-riding section. On the other hand, if a close examination of the two sections reveals that the over-riding section should, as a matter of construction, be taken to be the sole provision then clearly there is no room for the operation of any of the provisions of the subordinate section.

Upon this basis, a close comparison of the provisions of Section 25 with the provisions of Section 48 has led me to the view that the provisions of Section 25 have no application to the Egg Board. Section 25 (1) deals with payments to producers out of the proceeds of a commodity disposed of and any other moneys (apart from levy) received under the Act upon a pool basis, regard being had to the quality or standard of the commodity delivered by the individual producers. Sub-sections (2), (3) and (4) deal with deductions which the Board may make and provide for the finality of the Board's decisions in relation to certain matters. Section 48 (1) (a) deals with payments to producers by the Egg Board and provides for progress payments (regard being had to grade quality and standard), premium payments and a final payment out of any surplus moneys in the hands of the Board at the end of a prescribed period. Such final payments may be on a basis of quantity delivered by the producer irrespective of grade quality or standard. Section 48 (1) (b) deals with deductions which may be made by the Egg Board and provides for all the deductions referred to in Sub-sections 25 (2) and (3) and a number of other deductions not referred in Section 25. Section 48 (1) (c) provides for the finality of the decisions of the Egg Board in relation to precisely the same matters as are referred to in Section 25 (4). If Section 25 were intended to operate (so far as not inconsistent with Section 48) in relation to the Egg Board the provisions of Sub-section (1) (c) would be unnecessary.

It therefore follows that Section 48 deals with all the matters dealt with by Section 25 and a number of other matters in addition. As a matter of construction, therefore, I am of the opinion that Section 25 has no application to the operations of the Egg Board. It follows that if Section 25 has the effect of requiring a marketing board to distribute the whole of the net proceeds of a particular commodity (less permitted deductions and reserves) to producers at the end of each pool period such effect does not apply to the Egg Board unless it can be spelt out of the provisions of Section 48.

Upon reflection, it may not be surprising that the Egg Board should stand in a different position from that of other boards. Other boards deal with commodities which have a defined production season and each pool period constitutes a natural division. The production of eggs on the other hand, although subject to seasonal fluctuations, is nevertheless a continuous process and there can be no natural division of pool periods. In the case of the Egg Board the prescribed period of time referred to in Section 48 is simply the financial year which I assume has no natural relationship to the production of eggs. The concept of a board, at the conclusion of a season's sales and upon payment of all accounts due by and to it, making a final distribution of the proceeds to producers is difficult to apply to the Egg Board, the operation of which is a continuous process both in respect of its receipts and its sales of the commodity. Moreover, eggs pulped by the Board may be held in stock for a considerable time and there may be no proceeds derived from them in the season in which they were produced.

APPENDIX " F "—*continued.*

Further support for the view that Section 48 displaces Section 25 is to be found in the provisions of Section 26 of the Act which enable the provisions of Section 48 to be extended by proclamation to any other commodity "which is not the produce of seasonal operations". This lends colour to the view that the provisions of Section 48 are regarded as appropriate for the operations of a marketing board in respect of non-seasonal commodities, presumably because the marketing of such commodities does not lend itself to a strict division into particular periods of time.

I turn now to a closer examination of the provisions of Section 48. At the outset it will be observed that, while Section 25 provides that every board *shall* make certain payments to producers, Section 48 (1) (a) provides that the Egg Board *may* make the various types of payments to producers specified in the sub-section. Although the word "may" is sometimes construed as mandatory, it is obvious that the Egg Board is not under any obligation to make premium payments and, in my opinion, the word "may" in Section 48 should be construed as permissive.

Sub-section (1) (a) (i) empowers the Egg Board to make progress payments to producers "on the basis of the price for the time being fixed by the board for the commodity of the same grade quality or standard . . .". The Egg Board is bound to receive all marketable eggs but it disposes of the eggs received in very different ways and at very different prices. Eggs sold for local consumption are sold at a relatively high price while eggs exported or pulped bring a much lower price. The Board "fixes" the price of eggs sold by it on the local market but it cannot "fix" the price for eggs exported or pulped for export. Nor can it, when receiving eggs from producers determine upon what market those particular eggs will be sold. Although the general scheme of the Act proceeds upon the basis of marketing boards distributing proceeds to producers and not upon the basis of marketing boards purchasing commodities from producers, I am inclined to think that the expression "price for the time being fixed by the Board" in Section 48 (1) (a) (i) must mean the amount of money determined by the Board as the appropriate amount to be paid to producers as a progress payment upon delivery of eggs, and not the only price which the Board could be said to "fix"—namely, the price of eggs sold upon the local wholesale market.

Section 48 (1) (a) (iii) provides that the Board may, out of any surplus funds in its hands at the end of any prescribed period of time, make final payments to producers on the basis of the amount of the commodity delivered irrespective of grade quality or standard. This sub-section has some significant features. The fact that the final payment it envisages may be made upon the basis of quantity and not quality (whereas all payments made under Section 25 and progress payments made under Section 48 (1) (a) (i) are made on the basis of quality) suggests that it is envisaged that at the end of a prescribed period there may be a relatively small amount of money which can be distributed amongst producers and that, for the purpose of this distribution, a sole criterion of quantity may be good enough. If applied to progress payments, a criterion of quantity alone would be plainly unfair.

The next question is what is meant by "surplus moneys"? Does the expression mean surplus to the Board's requirements or a surplus remaining of moneys received in respect of eggs dealt with during the period after having made progress payments in respect of the various deliveries to the Board? The fact that the payment is a "final" payment and may be made without regard to quality grade and standard suggests, in my view, that what is contemplated is a final division of any proceeds which may remain at the end of the period which the Board may regard as surplus to ordinary operational requirements. If this view is correct, then it follows that there is nothing to prevent the Board from carrying over an operating surplus from one accounting period to the next.

It might be argued that, if the Board was not obliged to distribute all the proceeds of sales, the provisions of s. 48 (1) (b) would be unnecessary and that the provisions of Section 48 (1) (b) therefore suggest that the Board is obliged to disperse all proceeds of sales, save special deductions made for the purposes set out in Sub-section (1) (b). In my opinion, however, such an inference should not be drawn. The real purpose of the provisions of Sub-section (1) (b) is to enable the Board to make deductions from time to time throughout the year for the specific purposes set out and these deductions would ordinarily be made at a time when the final result of a year's trading would not be known.

These conclusions do not dispose of the whole problem. Section 48 (1) (b) provides that the Board may deduct various sums from any progress or final payment. This wording is in itself somewhat peculiar but for present purposes I think it can be assumed that the sub-section means that the Board may make deductions for the specified purposes from moneys available for payment to producers. Sub-clause (iv) reads:—

"Any sums necessary or estimated to be necessary to be expended to prevent undue fluctuations in the price of the commodity or to maintain the price of the commodity at a reasonable level".

In the first place, it will be noted that the words cannot be confined to money which has been expended, whether a sum certain or estimated. The tense used is the future tense "to be expended". Should the period in the future, however, be limited to the unexpired portion of the prescribed period of time? In relation to sub-clauses (i) and (ii), such an implied limitation would not be inappropriate as it would be strange if the Board could deduct from the proceeds of the commodity in one year moneys to defray its costs and expenditure for the next five years. On the other hand, sub-clause (iii) may not be taken to empower the Board, under all circumstances, to deduct from any one year sufficient moneys to repay all advances made to it and interest thereon. Having regard to the continuous and relatively non-seasonal commodity with which the Board deals, it would be a strange consequence if the Board could deduct moneys in July and August estimated to be necessary to prevent undue price fluctuation in the following May and June, but could not deduct money in June necessary to prevent fluctuations which it anticipated might occur in July.

APPENDIX "F"—continued.

The next question is as to the meaning of the word "price". Does it mean the price received by the Board from wholesalers and consumers or does it mean the price paid by the Board to producers? As previously mentioned, there is good reason for thinking that, despite the general scheme of the Act, the word "price" is used in Section 48 (1) (a) (i) in the latter sense. This question may not be of critical importance because the price paid to producers is in fact always closely related to the wholesale price fixed by the Board. Money expended to prevent fluctuations in one will also prevent fluctuations in the other. In periods of high production when a greater proportion of eggs is exported or pulped with the consequent lowering of the price received upon an overall average basis the price paid to producers can be maintained, and with it the price of the commodity upon the local market, by the injection of funds held in reserve. Looked at in this way, it would seem that if what might be termed a price fluctuation reserve were created it would not be practicable to confine its use to a particular period.

Although the question is by no means free from doubt, I am of the opinion that deductions may be made by the Board under sub-clause (iv) of sub-section (1) (b) to establish a fund to be used to prevent undue fluctuations in price, and that this fund may be carried forward from one period to another. I am fortified in this view by the fact that the clause permits deductions to be made not only from progress payments, but also from final payments. A deduction from the surplus available for final payments at the end of one period must necessarily be used in respect of a future period.

I think, however, that it would be in keeping with the spirit of Section 48 (1) (b) that moneys deducted for the purpose of preventing price fluctuations should be deducted with the intention that the money would be used within a relatively short period. Section 20 (1) (i) provides for the creation of long term reserves, and I am inclined to think that Section 48 (1) (b) should be taken to relate to expenditure which is actually estimated to be necessary at the time the deduction is made rather than expenditure which, in the Board's experience, will probably be necessary in the course of the next two or three years.

A fund created under clause (iv) would therefore stand in a different position from a general reserve created pursuant to Section 20 (1) (i). Nevertheless, it would seem that a general reserve created under Section 20 (1) (i) could be used to prevent price fluctuations although, in principle, I would imagine that such a reserve would ordinarily be used for capital expenditure or other expenditure in times of stress or emergency in the industry.

I turn now to the question of payments to the Egg Board under the Poultry Industry Assistance Act of the Commonwealth. These payments are made as grants to the various States upon the condition that the amounts granted will be applied by a State for the assistance of the poultry industry and will be so applied in accordance with the directions of the Minister. See Section 6 of the *Poultry Industry Assistance Act* 1965 as amended by Act No. 66 of 1966. I understand that the quantum of the payments is determined by the amount of eggs sold for export and the amount of eggs pulped and sold either locally or for export in respect of which lower prices are received than for eggs sold in the shell on the local market. The over-riding condition of the grants, however, is that the money must be applied for the assistance of the poultry industry, and I am not aware of any conditions which the Commonwealth Minister has imposed which would require the Egg Board specially to appropriate the moneys received for payments to producers. Moneys so received will in any event benefit producers, because money used in relief of operating or administration expenses will ensure that there is a greater amount of receipts from sales available for distribution to producers.

I turn now to the specific questions raised by the Auditor General.

1. Has the Egg and Egg Pulp Marketing Board the power—

(a) to carry forward surplus or undistributed moneys from a pool period to a succeeding pool period?

Answer. In my opinion, yes.

(b) to transfer to the pool period 1968-9 the amount of \$58,466, shown as a contingent liability to the Poultry Industry Trust Fund as at the close of the pool period 1967-8?

Answer. In my opinion, yes.

2. Could the Board, pursuant to the provisions of Section 20 (1) (i) of the *Marketing of Primary Products Act* 1958, transfer moneys to a reserve fund to be used for the Board's purpose of preventing undue fluctuations in prices?

Answer. A reserve created under Sub-section 20 (1) (i) may be used for any purpose in connection with the operations of the Board. The Board could therefore, in my opinion, use such a reserve fund for the purpose of preventing undue fluctuations in prices. It could also, during the course of a year's operations, make deductions from moneys available for progress or final payments to create a fund to be used for the purpose of preventing undue fluctuations in prices, but a fund created under Section 48 (1) (b) (iv) should only be created when the Board can actually estimate expenditure which is likely to be necessary in the relatively near future.

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