
REPORT
OF THE
AUDITOR-GENERAL
FOR THE YEAR ENDED
30th JUNE, 1972

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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, 1972.

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 Fund and the Trust Fund for the financial year ended 30th June, 1972. 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 discusses in some detail, in Parts III. and IV., the receipts and payments of the Consolidated Fund and the Trust Fund. Comments on the accounts of various individual departments, branches and authorities are given in Part V. Part VI. contains information on general matters which are required to be reported to Parliament under specific provisions of the *Audit Act*, or which otherwise warrant inclusion. Supporting statements and appendices complete the Report.

In assembling figures for the various statements furnished throughout the Report, I have regarded expenditure from the Consolidated Fund as including expenditure from the Works and Services Account, in that I have treated that part of the moneys appropriated from the Consolidated Fund to the Works and Services Account and expended through the Works and Services Account as being, in fact, expenditure from the Consolidated Fund.

As required by Section 46 of the *Audit Act* the Treasurer has included and distinguished in his statement of the expenditure of the Consolidated Fund for the year such amounts as had been expended but in respect of which no appropriation had been made on or before 30th June, 1972. The relevant figures are submitted on the basis that Parliamentary appropriation of the amounts is made in due course.

The Treasurer's Statement and the related subsidiary statements have been examined by my officers and are in agreement with the accounts of the Treasurer. Various aspects of the accounts and records of the revenue, expenditure and stores of departments, branches and authorities have been audited during the year on a test basis, consistent with accepted auditing concepts and practice.

My comments upon the accounts of other major public authorities which I am required by law to audit will be furnished to Parliament as soon as practicable in a Supplementary Report now in course of preparation.

PART II.—REVIEW.

In the Budget for 1971-72, the Treasurer estimated that the total receipts to the Consolidated Fund would be \$1,158,039,953. The actual result for the year was a total of \$1,210,888,620 and this amount was appropriated in full to the service of the year.

In broad terms, the receipts to the Consolidated Fund were derived from the following sources and compare with Budget Estimates and with those of the previous year as shown :—

	Budget 1971-72 \$	Actual 1971-72 \$	Actual 1970-71 \$
State Taxation	317,100,000	311,482,565	202,789,553
Other State Sources exc. Railways	169,100,000	174,490,009	150,283,808
Railway Income	117,830,000	111,966,605	108,000,211
Commonwealth Sources exc. Loan Raisings	416,539,953	433,587,583	423,809,410
	1,020,569,953	1,031,526,762	884,882,982
Loan Raisings and Repayments	137,470,000	179,361,858	126,495,680
	1,158,039,953	1,210,888,620	1,011,378,662

Payment from the Consolidated Fund of the total receipts to the Fund related to the following broad headings of expenditure and compares with Budget Estimates and with that of the previous year as shown :—

	Budget 1971-72 \$	Actual 1971-72 \$	Actual 1970-71 \$
Special Appropriation—Debt Charges, Salaries, Pensions, General Expenses, &c.	226,157,170	230,978,175	205,347,331
Annual Vote—Departmental Services exc. Railways	600,035,744	601,217,940	503,497,363
Railway Operating Expenses	149,173,348	148,451,494	137,751,844
	975,366,262	980,647,609	846,596,538
Special Appropriation—Works and Services Account	182,673,691	230,241,011	164,782,124
	1,158,039,953	1,210,888,620	1,011,378,662

In addition to receipts required to be credited to the Consolidated Fund, the Treasurer received in the year and credited to accounts within the Trust Fund a total of \$1,158,941,569. Included in these receipts are amounts to a total of \$165,122,408 received from the Commonwealth as recoups of expenditure, as conditional grants to the State and as advances for disbursement by the State. A broad classification of the purposes for which these amounts were received from the Commonwealth is as follows :—

	\$
Education	59,940,173
Health	13,270,818
Housing (inc. Home Builders, repayments and interest)	19,369,074
Primary Production	20,648,652
Road and Other Works	50,278,649
Other	1,615,042
	165,122,408

Payments from Trust Fund totalled \$1,137,773,574 and may be classified under the following broad headings :—

	\$
Commonwealth	173,029,574
Commonwealth-State	1,793,796
Compensation and Insurance	87,768,862
Deposit	454,171
Depreciation	3,411,805
Social, Health and Welfare	94,496,984
Superannuation and Pension	3,613,636
Suspense	352,001,035
Works and Development	296,419,262
Other	124,784,449
	<u>1,137,773,574</u>

More detailed comment in respect of trust account transactions, including those in respect of new accounts, is given at page 26 et seq.

The overall effect on the Public Account of the transactions relating to the Consolidated Fund and the Trust Fund as mentioned above is shown in the following statement which summarizes the movements within the Public Account for the year.

	\$	\$
Balance at credit of Public Account 1st July, 1971 ..		154,734,431
Receipts—		
Consolidated Fund	1,210,888,620	
Trust Fund	1,158,941,569	
In Reduction of Advances	1,431,451	
	<u>2,371,261,640</u>	
		<u>2,525,996,071</u>
Payments—		
Consolidated Fund	1,210,888,620	
Trust Fund	1,137,773,574	
	<u>2,348,662,194</u>	
Balance at credit of Public Account 30th June, 1972 ..		<u>177,333,877</u>

The balance of the Public Account is accounted for in the Treasurer's Statement as follows :—

	\$	\$
Trust Fund Balance		202,722,402
Less Advances from Public Account—		
For Consolidated Revenue Deficits	21,782,281	
For Departmental and Other Purposes	3,606,244	
	<u>25,388,525</u>	
		<u>177,333,877</u>

The balance is represented by—

	\$	\$
Cash at Credit of Public Account	24,596,348	
Fixed Deposit Account	73,300,000	
	<u>97,896,348</u>	
Investments of the Trust Fund		79,437,529
		<u>177,333,877</u>

The net effect of the year's transactions was an increase in the balance to the credit of the Public Account of \$22,599,446 brought about by the rise of \$21,167,995 in the credit balance of the Trust Fund and by the reduction of \$1,431,451 in the total advances from the Public Account for deficits and other purposes.

The amount of the Consolidated Revenue Deficits mentioned in the statement above, \$21,782,281 represents the balance of deficits—the last of which occurred in 1969–70—still unfunded but financed from Public Account. No funding of any part of the accumulated deficit was effected during the year.

RECEIPTS—CONSOLIDATED FUND.

Total receipts to the Consolidated Fund, \$1,210,888,620, exceeded the Budget Estimate of \$1,158,039,953 by \$52,848,667.

The main excesses of receipts over the Budget Estimate were :—

	\$
Loan Proceeds	42,300,000
Commonwealth Financial Assistance &c. Grants	17,055,040
Fees and Charges for Departmental Services	2,196,371
State Rivers and Water Supply Commission, Rates, Charges, &c.	1,290,009
Interest on Public Account	6,269,296

The main shortages in receipts compared with the Budget Estimate were :—

	\$
Taxation	5,617,435
Railways	5,863,395

The wide divergence between the Budget Estimate and the actual receipts of loan proceeds was caused by the changed practice, following the expiration of the Commonwealth-State Housing Agreement, of including moneys for housing purposes as part of the State's Works and Services Programme.

The actual receipts to the Consolidated Fund exceeded those of the previous year, \$1,011,378,662, by \$199,509,958. Details of the variations between the two years are given on page 9.

Receipts are capable of division into three main categories of those from—

	\$
Sources other than the Commonwealth	597,918,703
Commonwealth Sources	435,515,368
Loan Raisings and Repayments	177,454,549
	1,210,888,620

Receipts from sources other than the Commonwealth, \$597,918,703, were \$136,845,131 higher than the 1970–71 figure of \$461,073,572, and constituted 49·4 per cent. of the total receipts compared with 45·6 per cent. in the previous year. Those from Commonwealth sources, \$435,515,368, were \$11,705,958 more than in the previous year and represented 35·9 per cent. as against 41·9 per cent. for 1970–71. Loan raisings and repayments yielded \$50,958,869 more than the 1970–71 total of \$126,495,680 and provided 14·7 per cent. of the total receipts compared with 12·5 per cent. in 1970–71.

The major items causing the overall increase in receipts from sources other than the Commonwealth, together with the individual increases, were—

	\$
Payroll Tax	98,716,265
Duty under the Stamps Acts	8,549,184
Land Revenue	7,419,029
Fees and Charges for Departmental Services	4,603,016
Recoveries of Debt Charges	4,370,402
Railways	3,966,394

The enhancement of revenue through payroll tax receipts was partly offset by the deduction of roundly \$70 million by the Commonwealth from the amount which otherwise would have been received by the State by way of Financial Assistance Grant.

The loss of revenue following the abolition of receipt duty was more than overcome by the increases in the revenue from other forms of duty, notably that on real estate dealings and on insurance business.

The substantial increase in Land Revenue was due almost entirely to the amount received from royalties payable in respect of oil and gas recovered from submerged lands adjacent to the coasts of the State. A proportionate part of royalties received from this source is payable to the Commonwealth. An amount of \$7,548,183 was so paid in 1971–72.

Details of the variations in the receipts from Commonwealth sources are :—

	1970-71.	1971-72.	+ Increase - Decrease
	\$	\$	\$
Financial Assistance Grant	361,583,947	362,085,040	+ 501,093
Capital Assistance Grant	51,020,000	57,590,000	+ 6,570,000
Debt Charges Assistance Grant	2,782,818	5,565,635	+ 2,782,817
Contribution for Interest—Financial Agreement	4,254,318	4,254,318	..
Tuberculosis Arrangement	3,293,868	3,407,704	+ 113,836
Mental Hospitals—Recoups	797,544	827,695	+ 30,151
Advance—States Grants (Water Resources)	29,467	812,500	+ 783,033
Softwood Forestry Agreement .. .. .	..	815,000	+ 815,000
Grants for Home Care .. .. .	..	137,000	+ 137,000
Other	47,448	20,476	- 26,972
	<u>423,809,410</u>	<u>435,515,368</u>	<u>+ 11,705,958</u>

The composition of the Financial Assistance Grant and the allowance made by the Commonwealth in the calculation of the grant as a result of the pay-roll tax transfer are shown later in this Report at page 10. To the extent that no such allowance was necessary in arriving at the grant for 1970-71, the comparison made in the above statement between the two years is distorted. If regard is had to the amount deducted in 1971-72 in respect of pay-roll tax, roundly \$70 million net, a clearer indication of the variation between the two years may be obtained.

Detailed information is furnished throughout the Report in relation to the other items of financial assistance included in the statement.

Net receipts of \$177,454,549 to the Consolidated Fund from loan raisings and loan repayments (exclusive of Commonwealth contributions) were \$50,958,869 more than the comparable figure for 1970-71. The receipts consisted of the net proceeds of the loans raised under Victoria's share of the works programme approved by the Loan Council, \$171,670,000, and \$5,784,549 repayments in respect of advances made by the State in this and prior years. For the first time, and following the expiration of the Commonwealth-State Housing Agreement, the loan proceeds included the amount raised in 1971-72 for housing purposes, \$36.5 million, and this was the main factor in the substantial increase for the year in this source. The Commonwealth also made available to the State an amount of \$57,590,000, on which debt charges will not be payable, as assistance in connection with expenditure of a capital nature.

PAYMENTS—CONSOLIDATED FUND.

Section 5 of the *Public Account Act* 1958 provides that the total of appropriations by Parliament from the Consolidated Fund and the amount specially appropriated under authority of the Act to the Works and Services Account, following determination of such amount by the Treasurer, shall not exceed the amount to the credit of the Consolidated Fund. As shown earlier in this review, the total credits to the Consolidated Fund aggregated \$1,210,888,620 and this amount was appropriated in full in the following manner :—

	\$
Special Appropriation—Debt Charges, Pensions, &c.	247,528,388
Special Appropriation—Works and Services Account	230,241,011
Annual Vote—Departmental &c. Services.. .. .	733,119,221
	<u>1,210,888,620</u>

The comparable figure for the previous year was \$1,011,378,662 which is \$199,509,958 less than the 1971-72 total.

Again this year, the biggest proportion of expenditure from the Consolidated Fund was of a social nature and related to education, health and welfare services and housing. The amount expended on these services was \$605,509,918 and represented 49.79 per cent. of the total amount available in the Consolidated Fund. The items included in the expenditure of \$605,509,918 were Education \$375,156,749, Health and Welfare \$174,117,031, Housing, \$37,356,000, (including advances of \$856,000 to the Teacher Housing Authority) and other Social items \$18,880,138. These amounts exceeded those of the previous year by \$55,139,775 for Education, \$23,645,131 for Health and Welfare and \$5,286,061 for other Social items. As indicated earlier, allocations for housing purposes were made in 1971-72 for the first time from the Consolidated Fund instead of from an account within the Trust Fund. More detailed information relating to these items of expenditure is given in the relevant departmental sections of the Report and, in respect of moneys allocated to the Housing Commission, in my Supplementary Report. A comparison, on a monetary and proportional basis, of expenditure from the Consolidated Fund in 1971-72 with that of the previous year is given in Statement No. 1 appended to this Report.

Debt charges continue to absorb a substantial portion of the funds available in the Consolidated Fund and the amount paid in 1971-72 under this heading was \$184,730,570 which represents 15·19 per cent. of the total expenditure from the Consolidated Fund and \$19,170,224 more than was required in 1970-71. Debt charges on the Public Debt accounted for \$156,105,056 of the year's expenditure and the balance related to interest and principal payments in respect of the Commonwealth-State Housing Agreement and the Commonwealth-State Soldier Settlement Account, and interest on the 1969-70 Commonwealth repayable grant.

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 loan moneys and by interest received from various sources and credited to the Consolidated Fund. In addition, the Commonwealth provided this year an amount of \$5,565,635 as a grant under the *States Grants (Debt Charges Assistance) Act 1970* to assist the State to meet its interest and sinking fund contributions.

Statement No. 4 appended to this Report shows in detail the year's receipts and payments on account of debt charges and gives an analysis over a period of years of the respective portions of the charges met from the general revenues of the State and from other sources.

TRUST FUND—WORKS AND SERVICES ACCOUNT.

Appropriations from the Consolidated Fund to this Account throughout the year amounted to \$230,241,011 and, with the balance of \$5,231,106 unexpended from the previous year, brought the total funds available in the Account to \$235,472,117. Expenditure under the year's works and services programme absorbed \$221,401,068 and \$548,794 was needed for loan raising expenses. There was an unexpended balance in the Account at 30th June, 1972, of \$13,522,255. Details of the expenditure are given on page 23.

Most of the matters briefly mentioned in this review are the subject of more detailed comment in the succeeding pages.

PART III.—THE CONSOLIDATED FUND.

RECEIPTS.

A summary of the Treasurer's statement of receipts appearing on pages 6-12 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 \$199,509,958 for the year.

	1970-71.	1971-72.	+ Increase - Decrease
	\$	\$	\$
Commonwealth Payments to the State			
Financial Assistance Grants	361,583,947	362,085,040	+ 501,093
Debt Charges Assistance Grant	2,782,818	5,565,635	+ 2,782,817
Capital Assistance Grant	51,020,000	57,590,000	+ 6,570,000
Contribution for Interest—Financial Agreement	4,254,318	4,254,318	..
Other Contributions and Recoups	3,096,710	4,113,066	+ 1,016,356
	<u>422,737,793</u>	<u>433,608,059</u>	<u>+ 10,870,266</u>
State Taxes			
Direct	103,660,249	201,292,481	+ 97,632,232
Stamps Acts	83,974,325	92,523,509	+ 8,549,184
Licensing Fund Payment	10,932,590	11,963,672	+ 1,031,082
Other	4,222,389	5,702,903	+ 1,480,514
	<u>202,789,553</u>	<u>311,482,565</u>	<u>+108,693,012</u>
Recoveries of Debt Charges			
Interest and Exchange	44,028,970	48,046,475	+ 4,017,505
Sinking Fund—Contributions and Special Payments	1,137,497	1,210,854	+ 73,357
Loan Conversion Expenses	8,026	3,202	- 4,824
Repayments	5,062,569	5,346,933	+ 284,364
	<u>50,237,062</u>	<u>54,607,464</u>	<u>+ 4,370,402</u>
Land Revenue			
Leases, Licences, Miners' Rights, &c.	3,072,918	3,335,667	+ 262,749
Royalties—Brown Coal	591,962	566,351	- 25,611
„ Submerged Lands	16,528,845	23,710,736	+ 7,181,891
	<u>20,193,725</u>	<u>27,612,754</u>	<u>+ 7,419,029</u>
Harbor Revenue			
Contribution—Melbourne Harbor Trust	1,577,211	1,233,260	- 343,951
Westernport—Wharfage, Tonnage, Towage, &c.	1,888,455	2,365,731	+ 477,276
Other	1,030,880	1,146,963	+ 116,083
	<u>4,496,546</u>	<u>4,745,954</u>	<u>+ 249,408</u>
Fees and Charges for Departmental Services			
Fees—Titles Office, Registrar of Companies, Government Statist, &c.	6,130,057	7,132,379	+ 1,002,322
Departmental Services—			
Public Works Department	5,524,871	6,125,314	+ 600,443
Government Printer	3,668,886	4,001,674	+ 332,788
Mental Hygiene	3,851,703	4,041,731	+ 190,028
Motor Registration Branch	3,087,594	3,937,270	+ 849,676
Agriculture Department	2,109,114	2,205,612	+ 96,498
Education Department	1,227,477	1,681,032	+ 453,555
Police	1,185,270	1,505,441	+ 320,171
Insurance Offices	1,524,656	1,661,330	+ 136,674
Social Welfare	659,002	698,419	+ 39,417
Other	2,359,249	2,940,693	+ 581,444
	<u>31,327,879</u>	<u>35,930,895</u>	<u>+ 4,603,016</u>
Forests Commission			
Royalties, &c.	6,454,313	7,175,973	+ 721,660
State Rivers and Water Supply Commission			
Rates and Charges, Recoups, &c.	14,396,552	16,290,009	+ 1,893,457

	1970-71.	1971-72.	+ Increase - Decrease
	\$	\$	\$
Other Revenue			
Statutory Corporations—Contributions	7,725,000	10,760,000	+ 3,035,000
Fines—Courts and Other Sources	5,474,853	6,017,654	+ 542,801
Interest on Public Account	4,670,958	6,269,296	+ 1,598,338
State Accident Insurance Office—Portion of Surplus	1,400,000	1,550,000	+ 150,000
Rents and Hirings	1,181,028	887,398	- 293,630
Public Trustee—Surplus Interest	554,089	516,345	- 37,744
Gas and Fuel Corporation—Dividends Preference			
Shares	293,178	296,461	+ 3,283
Sundry	1,878,625	1,809,330	- 69,295
	<u>23,177,731</u>	<u>28,106,484</u>	<u>+ 4,928,753</u>
 Railways	 <u>108,000,211</u>	 <u>111,966,605</u>	 <u>+ 3,966,394</u>
 Loan Receipts			
Proceeds of Loan Raisings	121,670,000	171,670,000	+ 50,000,000
Loan Repayments	5,897,297	7,691,858	+ 1,794,561
	<u>127,567,297</u>	<u>179,361,858</u>	<u>+ 51,794,561</u>
 Total Receipts	 <u>1,011,378,662</u>	 <u>1,210,888,620</u>	 <u>+199,509,958</u>

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

COMMONWEALTH FINANCIAL ASSISTANCE GRANTS.

Commonwealth financial assistance grants to the States are calculated on bases determined by the Commonwealth's *States Grants Act 1971-1972* and the *States Grants (Debt Charges Assistance) Act 1970*. Grants were also made in 1971-72 under the *States Grants (Capital Assistance) Act 1971-1972*.

Grants to Victoria in accordance with the Acts were :—

	\$
Financial Assistance	362,085,040
Debt Charges Assistance	5,565,635
Capital Assistance	57,590,000

The Financial Assistance Grant of \$362,085,040 received under the provisions of the *States Grants Act 1971-1972* comprised :—

	\$
Normal Financial Assistance Grant under Section 7 of the Act	405,929,000
\$2 per capita grant in accordance with Section 8	7,061,470
Additional grant under statutory formula, Section 10	9,906,191
Further grant under statutory formula, Section 10 (A)	3,714,822
Additional grant in proportion to notional pay-roll tax, Section 11	5,686,557
Total grant under Sections 7, 8, 10, 10 (A) and 11	<u>432,298,040</u>
Less amount determined in accordance with Section 13— notional pay-roll tax less administrative expenditure	<u>70,213,000</u>
Grant payable	<u>362,085,040</u>

The grant for 1971-72 exceeded that of 1970-71 by \$501,093. This small increase reflects the fact that, as from 1st September, 1971, pay-roll tax became a State tax.

The Debt Charges Assistance Grant of \$5,565,635 consisted of payments in accordance with the *States Grants (Debt Charges Assistance) Act 1970*, namely \$5,323,735, interest, provided for by Section 4 and \$241,900, sinking fund contributions, by Section 5.

The Capital Assistance Grant was made under the provisions of the *States Grants (Capital Assistance) Act 1971-1972* and was composed of grants for expenditure on capital items of a general nature under Section 3 (1), \$55,890,000, and under Section 3 (1A), \$1,700,000 in connexion with expenditure of a capital nature on primary and secondary schools conducted by the State.

STATE TAXES.

Classifications under Receipts, 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 Pay-roll Tax, Probate Duty, Land Tax, Entertainments Tax, Motor Car Third-party Insurance Surcharge, Totalizator, Tattersall Duty and Gift Duty. Revenue under the Stamps Acts comprises collections from Duty on Betting Instruments, Duty on Insurance Business, Other Stamp Duty and Receipt Duty. The title "Licences" covers not only licence fees credited direct to the Consolidated Fund but also the payment made thereto from the Licensing Fund.

Under each of the four main classifications referred to, taxation receipts over the past two years are compared hereunder :—

Taxation.							1970-71.	1971-72.
							\$	\$
Direct	..	..	..	..	..	..	103,660,249	201,292,481
Stamps Acts	..	..	..	..	..	..	83,974,325	92,523,509
Registrations, &c.	..	..	..	..	..	..	1,170,365	1,268,157
Licences	..	..	..	..	..	..	13,984,614	16,398,418
Total Taxation	..	..	..	..	..	..	<u>202,789,553</u>	<u>311,482,565</u>

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

Direct Taxation.

Pay-roll Tax.—By agreement reached at the Premiers' Conference of June, 1971, the right to impose pay-roll tax was given to the States. The *Pay-roll Tax Act 1971* which was deemed to operate from 1st September, 1971, imposed on all taxable wages a pay-roll tax at the rate of 3½ per cent. Collections from this source in 1971-72 amounted to \$98,716,265.

Probate Duty.—Collections of Probate Duty in 1970-71 were \$49,926,736 and in 1971-72 \$44,540,830 ; a decrease of \$5,385,906.

Duty for 1971-72 amounting to \$43,879,557 was collected by the Commissioner of Probate Duties and \$661,273 by the Public Trustee. The aggregate value of new estates assessed decreased from \$361 million in 1970-71 to \$308 million in 1971-72. Payments in advance of the issue of assessments as at 30th June, 1972, amounted to \$11,096,508 whereas at 30th June, 1971, the amount was \$8,125,069.

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 30.6.71—\$7,197,888 ; \$6,140,406 collected in 1971-72.

As at 30.6.72—\$6,635,291 ; to be collected in 1972-73.

Land Tax.—Receipts from Land Tax in 1970-71 were \$28,442,372 and, in 1971-72, \$29,105,376 ; an increase of \$663,004.

The *Land Tax Act 1971* fixed rates of tax identical with those for the previous year.

Motor Car Third-party Insurance.—In conformity with the requirements of the *Motor Car (Insurance Surcharge) Act 1959*, an additional fee of \$2 is paid annually by each motor car owner with the premium payable in respect of his contract of third-party insurance.

Revenue under this head in 1971-72 was \$3,028,210 compared with \$2,915,152 in the previous year.

Totalizator.—The *Racing Act* 1958 requires that a commission, being a percentage of investments, be deducted from all totalizator pools, the balance of the investments being paid out in dividends. Until 4th June, 1972, the commission was thirteen per cent. except in the case of miscellaneous totalizators where the commission was fourteen per cent. As from 5th June, 1972, the date of commencement of the *Racing (Totalizator Commissions) Act* 1972, the commission was increased to fourteen per cent. and fifteen per cent. respectively. The appropriation of the commission is as shown hereunder :—

On-Course Totalizators—

	Win and Place		Doubles, Quinella and Forecast	
	To 4.6.1972.	From 5.6.1972.	To 4.6.1972.	From 5.6.1972.
(i) Metropolitan—	%	%	%	%
Consolidated Fund	8.00	8.75	5.00	5.75
Club Concerned	5.00	5.25	8.00	8.25
Commission	13.00	14.00	13.00	14.00
(ii) Country, in respect of all types of totalizators—			To 4.6.1972.	From 5.6.1972.
Consolidated Fund .. .. .	..	..	3.00	3.75
Club Concerned .. .. .	..	..	10.00	10.25
Commission .. .. .	..	..	13.00	14.00

Off-Course Totalizators—

	Win and Place		Miscellaneous	
	To 4.6.1972.	From 5.6.1972.	To 4.6.1972.	From 5.6.1972.
	%	%	%	%
Consolidated Fund	4.75	5.25	4.75	5.25
Totalizator Agency Board Trust Account*	.25	.25	.25	.25
Race-courses Development Fund or Greyhound Racing Grounds Develop- ment Fund .. .. .	.00	.25	1.00	1.25
Totalizator Agency Board	8.00	8.25	8.00	8.25
Commission	13.00	14.00	14.00	15.00

The total credit to the Consolidated Fund is specially appropriated to the Hospitals and Charities Fund which is required to meet the cost of administration of totalizator inspection, &c. In 1971–72, the sum of \$18,415,255 was received into the Consolidated Fund and an equivalent amount paid out to the Hospitals and Charities Fund. The cost of administration charged to the Fund was \$80,065.

* The Treasurer may, by notice published in the *Government Gazette*, certify that such payment is no longer necessary. Thereafter, this appropriation would be to the Consolidated Fund.

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

	1970-71.				1971-72.			
	Horse Races.	Trotting Races.	Greyhound Races.	Total.	Horse Races.	Trotting Races.	Greyhound Races.	Total.
	\$	\$	\$	\$	\$	\$	\$	\$
PERCENTAGES—								
<i>Win and Place—</i>								
Metropolitan	2,880,485	605,463	665,000	..	3,336,759	900,384	731,870	..
Country	1,214,287	613,190	11,260	..	1,478,697	781,435	16,152	..
Interstate	715,738	..	..	..	835,359	..	..	..
<i>Doubles and Quinella—</i>								
Metropolitan	806,500	208,673	205,295	..	971,383	267,589	408,805	..
Country	69,446	32,952	29,790	..	84,091	35,552	32,686	..
<i>Miscellaneous Totalizators</i>	3,440,419	1,207,690	849,400	..	3,720,516	1,528,662	957,771	..
	9,126,875	2,667,968	1,760,745	13,555,588	10,426,805	3,513,622	2,147,284	16,087,711
FRACTIONS—								
<i>Win and Place—</i>								
Metropolitan	493,631	146,629	149,553	..	694,698	180,146	185,823	..
Country	338,134	176,462	5,297	..	403,103	204,455	5,416	..
Interstate	139,258	..	..	..	179,934	..	..	..
<i>Doubles and Quinella</i>								
Metropolitan	26,826	14,523	19,143	..	39,753	13,978	34,636	..
Country	6,346	3,065	2,787	..	7,141	3,378	4,883	..
<i>Miscellaneous Totalizators</i>	82,322	49,410	42,788	..	116,716	49,506	54,436	..
	1,086,517	390,089	219,568	1,696,174	1,441,345	451,463	285,194	2,178,002
DIVIDENDS UNCLAIMED ..	..	..	..	121,982	..	..	..	149,542
CREDITS TO THE CONSOLIDATED FUND ..	..	..	..	15,373,744*	..	..	..	18,415,255*

* On-course—1970-71, \$4,352,035 ; 1971-72, \$3,795,394.

Off-course—1970-71, \$11,021,709 ; 1971-72, \$14,619,861.

In addition to the \$18,415,255 paid into the Consolidated Fund and specially appropriated to the Hospitals and Charities Fund, moneys were credited to accounts within the Treasury Trust Fund as follows :—

- (i) \$677,647 to the Totalizator Agency Board Trust Account—for distribution to racing clubs in terms of the *Racing Act* 1958 ;
- (ii) \$1,122,389 to the Race-courses Development Fund—to meet costs and expenses incurred by the Race-courses Licences Board and to provide financial assistance to racing clubs; and
- (iii) \$88,247 to the Greyhound Racing Grounds Development Fund, established pursuant to Section 10 of the *Racing (Amendment) Act* 1971—operative from 1st January, 1972—to meet costs and expenses of the Greyhound Racing Grounds Development Board and to provide financial assistance to greyhound racing clubs.

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—1969-70, \$21,400,000 ; 1970-71, \$21,360,000 ; and 1971-72, \$21,388,540.

Duty equivalent to 31 per cent. of the total amount of subscriptions to each consultation is payable to the Treasurer within seven days after the drawing of the consultation. Duty amounting to \$6,789,503 was paid into the Consolidated Fund in 1971-72, compared with \$6,504,415 in 1969-70 and \$6,435,660 in 1970-71. Under the provisions of the Act, an amount equivalent to the duty paid is appropriated from the Consolidated Fund and apportioned between the Hospitals and Charities Fund and the Mental Hospitals Fund. In 1971-72, these Funds were credited with \$5,424,503 and \$1,365,000 respectively.

In terms of the agreement entered into with the Government of Tasmania in 1960, and extended for a further period of ten years in 1970, 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 \$179,343 compared with \$162,180 in the previous year.

As at 30th June, 1972, the Tasmanian share of duty for consultations drawn late in May and in June amounted to \$16,353. This amount was paid to the Tasmanian Government after the close of the year.

The agreement with the Government of New Zealand, particulars of which have been given in previous Reports, was renewed for a further period of three years from 1st July, 1970.

Payments to the Government of New Zealand during the year amounted to \$293,909 compared with \$274,127 in 1970-71. As at 30th June, 1972, an amount of \$68,873, equivalent to \$69,191 (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.

Unpaid prizes for consultations drawn during the period 1954-55 to 1968-69 (inclusive) amounted to \$285,667. 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.

During the year a new type of consultation termed "Tattslotto" was introduced. Two such consultations were drawn prior to 30th June, 1972, the total subscriptions to these being \$446,540.

Gift Duty.

The *Gift Duty Act* 1971, which operated from 1st January, 1972, provides that gift duty of the appropriate amount—ranging from 3½ per cent. where the value exceeds \$4,000 (and does not exceed \$10,000) to 22 per cent. where the value exceeds \$200,000—shall be charged, levied, collected and paid in respect of every gift made after the commencement of the Act.

Collections to 30th June, 1972, amounted to \$91,588 and payments in advance of the issue of an assessment at that date totalled \$4,658. Duty assessed and uncollected amounted to \$62,309 at the end of the year.

Stamps Acts.

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

	1970-71.	1971-72.
	\$	\$
Other Stamp Duty	56,254,745	69,771,387
Duty on Insurance Business	12,049,573	17,274,632
Duty on Betting Instruments	3,861,043	4,282,385
Receipt Duty	11,808,964	1,195,105
Total	<u>83,974,325</u>	<u>92,523,509</u>

As indicated in the preceding statement, revenue from Other Stamp Duty was \$13,516,642 more than in the previous year. Major variations in this duty, according to the statistical records of the Stamps Office—which were kept on a gross basis but which, overall, had been reconciled with the relevant Treasury records—were as follows :—

	\$
(i) duty on real estate dealings (increase)	9,079,401
(ii) duty on applications for registration and notices of acquisition of motor cars (increase)	1,953,535
(iii) duty on credit and rental business (registered persons) (increase)	806,130
(iv) duty on cheques (increase)	720,788
(v) sale of adhesive duty stamps (increase)	582,738
(vi) approved vendors (hire purchase) (increase)	565,907

Legislation which affected the collection of duty under the Stamps Acts in the year under review was :—

- (i) The *Stamps Act* 1971 which from 1st January, 1972, increased the rate of stamp duty in certain areas.
- (ii) The *Stamps (Gifts and Settlements) Act* 1971 which from 1st January, 1972, reduced stamp duty in this area following the imposition of gift duty by the *Gift Duty Act* 1971.
- (iii) The *Stamps (Bookmakers' Statements) Act* 1972 which from 5th June, 1972, increased the rate of duty on bookmakers' turnover.
- (iv) The *Stamps (Receipt Duty Abolition) Act* 1970 which exempted from receipt duty receipt for any money received on or after 1st October, 1970. The amount of duty which was received during the year, \$1,195,105, related partly to arrears due at that date and partly to duty payable on late assessments.

Licences.

The Licensing Fund Payment.—The revenue of The Licensing Fund consists mainly of fees charged to hotelkeepers (\$8,688,750), wholesale and retail liquor merchants (\$2,911,198), and clubs (\$612,903).

In accordance with the provisions of the *Liquor Control Act* 1968, the surplus of receipts over payments for 1971–72 was transferred to the Consolidated Fund.

The *Municipalities (Commutation of Licensing Payments) Act* 1968 provided for payments to municipalities in substitution for the payments previously made from The Licensing Fund. Under this Act, each municipality was to receive, in or before February, 1972, a lump-sum capital payment (which had to 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 was made to the municipality, the municipality was to continue to receive from The Licensing Fund an annual amount equal to the amount it received in March, 1968. Lump-sum capital payments made under the commutation Act in the year under review to bring these arrangements to finality were charged to the Works and Services Account.

The last annual payments were made in 1970–71 and amounted to \$38,522. Lump-sum capital payments in 1970–71 were \$621,945, and in 1971–72 \$654,867.

A comparative statement of receipts and payments of The Licensing Fund for the past two years is given hereunder :—

	1970-71.	1971-72.
	\$	\$
Balance 1st July	661,471	661,471
Receipts—		
Licences	11,599,746	12,557,304
Permits	188,936	195,830
Fees and Fines	62,443	81,027
Interest on Investments	18,050	15,996
Miscellaneous	585	..
Total Receipts for the Year	11,869,760	12,850,157
Payments—		
Salaries and Other Administrative Expenses	321,019	428,195
Cost of Policing Act	168,026	167,875
Compensation	448,125	290,415
Total Payments for the Year	937,170	886,485
Transfer to the Consolidated Fund	10,932,590	11,963,672
Balance 30th June	661,471	661,471
Percentage of Total Receipts Transferred	92·1	93·1

Compensation was paid in respect of twenty-four hotels in 1970–71 and nineteen in 1971–72.

Motor Car Drivers' and Motor Driving Instructors' Licence Fees.—Collections in respect of fees paid on the issue of drivers' licences are apportioned, in terms of the relevant legislation— one-eighth to the Country Roads Board Fund, one-eighth to the Drivers' Licence Suspense Account, one-quarter to the Municipalities Assistance Fund and the remaining half, in the absence of specific direction as to the disposal thereof, to the Consolidated Fund. Collections from motor driving instructors' licence fees are apportioned as to one-half, equally between the Country Roads Board Fund and the Municipalities Assistance Fund and, as to the other half, to the Consolidated Fund.

Costs of collection of fees are met by the participating funds.

After meeting the required proportion of the costs of collection, \$210,706, net collections credited to the Consolidated Fund on account of motor car drivers' and motor driving instructors' licence fees, in 1971–72, amounted to \$3,444,296.

COMPARISON WITH BUDGET.

The following statement shows the variations of Receipts from the Budget Estimate in 1971-72.

	Budget Estimate.	Receipts.	+ Excess - Deficiency
	\$	\$	\$
Taxation—			
Pay-roll Tax	103,700,000	98,716,265	- 4,983,735
Probate Duty	51,000,000	44,540,830	- 6,459,170
Land Tax	29,000,000	29,105,376	+ 105,376
Entertainments Tax	580,000	604,207	+ 24,207
Motor Car Third-party Insurance—Surcharge ..	3,050,000	3,028,210	- 21,790
Totalizator	16,200,000	18,415,255	+ 2,215,255
Tattersall Duty	6,600,000	6,789,503	+ 189,503
Accommodation Tax	2,000,000	..	- 2,000,000
Gift Duty	200,000	91,588	- 108,412
Betting and Bookmakers' Turnover Tax ..	3,900,000	4,282,385	+ 382,385
Duty on Insurance Business	15,550,000	17,274,632	+ 1,724,632
Receipt Duty	1,000,000	1,195,105	+ 195,105
Other Stamp Duty	67,300,000	69,771,387	+ 2,471,387
Registration Fees—Factories, Shops, &c. ..	1,370,000	1,268,157	- 101,843
Licensing Fund Payment	11,200,000	11,963,672	+ 763,672
Auctioneers' and other Licences	4,450,000	4,434,746	- 15,254
Income Tax and Unemployment Relief Tax (Arrears) ..	..	1,247	+ 1,247
	<u>317,100,000</u>	<u>311,482,565</u>	<u>- 5,617,435</u>
Recoveries of Debt Charges—			
Country Roads Board	2,520,000	2,507,805	- 12,195
Home Builders' Account	5,908,000	5,853,545	- 54,455
Housing Commission	21,758,000	22,023,839	+ 265,839
Melbourne and Metropolitan Board of Works ..	1,679,000	980,382	- 698,618
Rural Finance and Settlement Commission ..	1,622,000	1,580,267	- 41,733
Soldier Settlement	900,000	1,038,638	+ 138,638
State Electricity Commission	16,342,000	16,649,067	+ 307,067
Water and Sewerage Authorities	2,230,000	1,784,700	- 445,300
Other	1,941,000	2,189,221	+ 248,221
	<u>54,900,000</u>	<u>54,607,464</u>	<u>- 292,536</u>
Land Revenue—			
Lands	3,025,000	2,981,180	- 43,820
Mining	380,000	354,487	- 25,513
Royalties—Brown Coal	600,000	566,351	- 33,649
Royalties—Submerged Lands	23,000,000	23,710,736	+ 710,736
	<u>27,005,000</u>	<u>27,612,754</u>	<u>+ 607,754</u>
Harbor Revenue—			
Harbor Trust Contribution	1,600,000	1,233,260	- 366,740
Westernport	2,350,000	2,365,731	+ 15,731
Other	1,160,000	1,146,963	- 13,037
	<u>5,110,000</u>	<u>4,745,954</u>	<u>- 364,046</u>
Fees and Charges for Departmental Services—			
Fees—Titles Office, Registrar of Companies, &c. ..	6,580,000	7,132,380	+ 552,380
Recoups—Departmental Services	27,175,000	28,818,991	+ 1,643,991
	<u>33,755,000</u>	<u>35,951,371</u>	<u>+ 2,196,371</u>
Forests Commission—			
Royalties, &c.	6,630,000	7,175,973	+ 545,973
State Rivers and Water Supply Commission—			
Rates and Charges, Recoups, &c.	15,000,000	16,290,009	+ 1,290,009
Miscellaneous Receipts—			
Fines	5,800,000	6,017,654	+ 217,654
Interest on Public Account	5,000,000	6,269,296	+ 1,269,296
Rents and Hirings	1,000,000	887,398	- 112,602
Statutory Corporation Payments	10,750,000	10,760,000	+ 10,000
State Accident Insurance—Appropriation of Portion of Surplus	1,500,000	1,550,000	+ 50,000
Other	2,650,000	2,622,136	- 27,864
	<u>26,700,000</u>	<u>28,106,484</u>	<u>+ 1,406,484</u>

COMPARISON WITH BUDGET--*continued.*

	Budget Estimate.	Receipts.	+ Excess - Deficiency
	\$	\$	\$
Railways	117,830,000	111,966,605	- 5,863,395
Commonwealth Payments to State—			
Commonwealth and States Financial Agreement ..	4,254,318	4,254,318	..
States Grants Acts, &c.	354,665,635	367,650,675	+ 12,985,040
Tuberculosis Arrangement	3,287,500	3,143,090	- 144,410
Water Resources Measurement Act	812,500	812,500	..
Home Care Act .. .. .	..	137,000	+ 137,000
	<u>363,019,953</u>	<u>375,997,583</u>	<u>+ 12,977,630</u>
Proceeds of Loan Raisings	129,370,000	171,670,000*	+ 42,300,000
Loan Repayments	8,100,000	7,691,858	- 408,142
Works Grant—Commonwealth Payment	53,520,000	57,590,000	+ 4,070,000
Total Receipts	<u>1,158,039,953</u>	<u>1,210,888,620</u>	<u>+ 52,848,667</u>

* Includes \$36,500,000 allocation for Housing previously provided under Commonwealth-State Housing Agreement.

EXPENDITURE.

The expenditure from the Consolidated Fund was more than that for 1970-71 by the amount of \$199,509,958. A comparison of the figures for the two years, separated into special and annual appropriations, is given in the following statement :—

SPECIAL APPROPRIATION.			
	1970-71.	1971-72.	+ Increase - Decrease
	\$	\$	\$
Interest including Exchange	130,013,542	145,724,823	+ 15,711,281
National Debt Sinking Fund	21,914,788	23,447,849	+ 1,533,061
Repayment of Advances—Commonwealth— State Housing and Soldier Settlement	5,041,024	5,334,474	+ 293,450
Loan Expenses	54,010	21,544	- 32,466
	<u>157,023,364</u>	<u>174,528,690</u>	<u>+ 17,505,326</u>
Hospitals and Charities Fund (Totalizator)	15,373,744	18,415,255	+ 3,041,511
Pensions	12,029,041	13,866,719	+ 1,837,678
Hospitals and Charities and Mental Hospitals Funds (Tattersall)	6,435,660	6,789,503	+ 353,843
Endowments and Grants	10,261,680	13,200,502	+ 2,938,822
Other	4,223,842	4,177,506	- 46,336
	<u>205,347,331</u>	<u>230,978,175</u>	<u>+ 25,630,844</u>
Railways—Debt Charges	8,536,982	9,551,879	+ 1,014,897
Pensions	6,176,365	6,532,674	+ 356,309
Other	456,800	465,660	+ 8,860
	<u>15,170,147</u>	<u>16,550,213</u>	<u>+ 1,380,066</u>
Works and Services Account	164,782,124	230,241,011	+ 65,458,887
Total Special Appropriation	<u>385,299,602</u>	<u>477,769,399</u>	<u>+ 92,469,797</u>
ANNUAL APPROPRIATION.			
Education	239,665,038	285,686,972	+ 46,021,934
Health	96,677,706	113,537,973	+ 16,860,267
Chief Secretary	41,081,951	49,295,562	+ 8,213,611
Treasurer	44,648,596	57,704,567	+ 13,055,971
Water Supply	15,262,846	17,222,031	+ 1,959,185
Social Welfare	14,164,005	18,542,475	+ 4,378,470
Public Works	10,917,458	12,120,075	+ 1,202,617
Agriculture	10,920,285	12,530,154	+ 1,609,869
Attorney-General	10,037,429	11,692,938	+ 1,655,509
Lands and Survey	4,696,486	5,357,183	+ 660,697
Forests	4,301,231	4,904,838	+ 603,607
Premier	4,149,635	4,046,059	- 103,576
Labour and Industry	1,818,834	2,075,517	+ 256,683
Mines	1,617,359	1,830,617	+ 213,258
Local Government	1,653,545	1,868,019	+ 214,474
Parliament	964,431	1,026,187	+ 61,756
State Development	320,620	1,138,351	+ 817,731
Other	599,908	638,422	+ 38,514
	<u>503,497,363</u>	<u>601,217,940</u>	<u>+ 97,720,577</u>
Railways	122,581,697	131,901,281	+ 9,319,584
Total Annual Appropriation	<u>626,079,060</u>	<u>733,119,221</u>	<u>+107,040,161</u>
Total Payments *	<u>1,011,378,662</u>	<u>1,210,888,620</u>	<u>+199,509,958</u>

* Includes charges to Treasurer's Advance pending Parliamentary Appropriation.

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—Division 45A.	Expenditure for the Year.
	\$	\$	\$	\$	\$
<i>Annual Appropriation—</i>					
Parliament	889,500	884,680	4,820	141,507	1,026,187
Premier	4,001,200	3,924,022	77,178	122,037	4,046,059
Chief Secretary	49,654,885	48,963,186	691,699	332,376	49,295,562
State Development	1,097,850	1,060,508	37,342	77,843	1,138,351
Social Welfare	17,631,150	17,523,260	107,890	1,019,215	18,542,475
Labour and Industry	1,982,950	1,982,728	222	92,789	2,075,517
Education	283,226,933	281,030,810	2,196,123	4,656,162	285,686,972
Attorney-General	10,787,310	10,753,763	33,547	939,175	11,692,938
Treasurer	71,187,986*	56,979,734	14,208,252*	724,833	57,704,567
Lands and Survey	5,135,791	5,130,525	5,266	226,658	5,357,183
Public Works	12,006,580	11,828,955	177,625	291,120	12,120,075
Local Government	1,784,930	1,779,369	5,561	88,650	1,868,019
Mines	1,772,500	1,768,903	3,597	61,714	1,830,617
Agriculture	12,065,469	12,038,404	27,065	491,750	12,530,154
Health	112,628,460	112,549,724	78,736	988,249	113,537,973
Aboriginal Affairs	410,000	410,000	..	..	410,000
Fuel and Power	63,900	63,448	452	14,169	77,617
Railway Construction	83,550	82,584	966	4,460	87,044
Transport	58,700	58,670	30	5,091	63,761
Forests	4,662,000	4,661,998	2	242,840	4,904,838
Water Supply	16,904,100	16,904,088	12	317,943	17,222,031
Railways	132,491,348	131,901,281	590,067	..	131,901,281
Total Annual Appropriation	740,527,092	722,280,640	18,246,452	10,838,581	733,119,221
<i>Special Appropriation—</i>					
Debt Charges and Other Services	230,978,175	230,978,175	..	..	230,978,175
Railways (including Debt Charges)	16,550,213	16,550,213	..	..	16,550,213
Works and Services Account ..	230,241,011	230,241,011	..	..	230,241,011
Total Special Appropriation	477,769,399	477,769,399	..	..	477,769,399
Grand Total	1,218,296,491	1,200,050,039	18,246,452	10,838,581	1,210,888,620

* Includes \$14,000,000—Div. 45A, Advance to Treasurer.

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. In addition a further sum of \$14,000,000 was advanced to the Treasurer in 1971-72 under the authority of the *Appropriation Act* 1971 (Division 45A).

Expenditure incurred by the Treasurer pending Parliamentary sanction thereto at 30th June, 1972, is summarized hereunder—

Authority	\$
Public Account Act 1958	3,890,880
Appropriation Act 1971	10,838,582
	14,729,462

On pages 22 to 71 and 96 and 97 of the Treasurer's Statement, details are given of the amounts included in the total of \$14,729,462.

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.

LOAN TRANSACTIONS.

SYNOPSIS.

The State incurred additional loan liability of \$171,700,949 on account of moneys raised for works and associated purposes during the year, compared with \$121,693,436 in the previous year—an increase of \$50,007,513. The sources of the funds were five loans in Australia and the proceeds of the sale of Special Bonds.

Loan receipts comprising moneys received from the proceeds of loans raised, less provision for discounts, and the repayments of advances totalled \$179,361,858 which, together with the Commonwealth works grant of \$57,590,000, provided a credit to the Consolidated Fund of \$236,951,858.

Loan transactions may be summarized as follows :—

Liability—	\$
Australian Loans	171,700,949
<i>Less—</i>	
Discounts Capitalized	30,949
	171,670,000
Repayments	7,691,858
	179,361,858
Net Receipts to the Consolidated Fund—Raisings and Repayments	179,361,858
Commonwealth Capital Assistance Grant	57,590,000
	236,951,858

Appropriations during the year from the Consolidated Fund to the Works and Services Account totalled \$230,241,011, which, together with the balance of \$5,231,106 brought forward from 1970–71, allowed for the implementation through this Account of a programme of works and services costing \$221,401,068, and the payment of loan raising expenses, including discounts to converters, \$548,794. Unexpended appropriations held in the Works and Services Account at 30th June, 1972, amounted to \$13,522,255.

Loan transactions for the year had the effect of increasing the State's liability under the Financial Agreement from \$2,325,375,462, at 30th June, 1971, to \$2,469,278,366 at 30th June, 1972. There is, however, additional liability to the Commonwealth of \$544,943,640 in respect of advances for housing purposes under the Commonwealth–State Housing Agreement, \$12,747,433 for special assistance loans for soldier settlement, \$3,626,562 for repayable loans made by the Rural Finance and Settlement Commission from funds provided for drought relief and \$10,000,000 in respect of the special payment to the State in 1969–70 to meet budgetary difficulties.

LOAN RAISINGS.

Details of the terms and conditions in respect of \$171,700,949, 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. 206.	Loan No. 208.	Loan No. 210.	Loan No. 211.	Loan No. 214.	Special Bonds.	Total.
		\$	\$	\$	\$	\$	\$	\$	\$
5.3	15.5.75	Par.	..	..	..	16,053,000	..	..	16,053,000
5.3	15.8.75	"	..	..	..	..	5,113,000	..	5,113,000
5.7	15.7.74	"	..	..	6,151,000	..	..	..	6,151,000
5.8	15.11.81	"	..	..	..	4,211,000	955,000	..	5,166,000
6	15.7.76	"	..	..	12,128,000	..	..	..	12,128,000
6	15.10.91	"	..	..	..	1,545,000	1,847,000	..	3,392,000
6	15.7.05	"	..	..	..	386,000	815,949	..	1,201,949
6.3	15.2.74	99.9	..	16,927,000	..	..	..	..	16,927,000
6.4	15.5.74	Par.	15,389,000	..	..	..	..	..	15,389,000
6.4	1.10.78	"	..	..	..	..	..	9,026,000	9,026,000
6.4	15.10.82	"	..	..	2,534,000	..	..	..	2,534,000
6.5	15.2.76	"	..	13,428,000	..	..	..	..	13,428,000
6.5	15.2.76	99.8	7,011,000	..	..	..	..	..	7,011,000
6.7	15.7.91	Par.	..	..	16,030,000	..	..	..	16,030,000
6.8	15.11.80	"	4,842,000	3,265,000	..	..	..	..	8,107,000
7	15.7.91	"	3,966,000	12,352,000	..	..	..	..	16,318,000
7	15.7.05	"	6,182,000	11,544,000	..	..	..	..	17,726,000
..	..	..	37,390,000	57,516,000	36,843,000	22,195,000	8,730,949	9,026,000	171,700,949

Expenses associated with the raising of loans for works purposes were met from the Works and Services Account, a total amount of \$471,017 being paid during the year. The expenses in respect of loan No. 211 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 1971-72 are:—

Securities Dealt With.		Redeemed by Sinking Fund (a) Loan Raisings (b).	Converted to—			
Rate and Maturity.	Amount.		Amount.	Rate.	Price of Issue.	Date of Maturity.
	\$	\$	\$	%	\$	
4·5	5,048,000	616,000 (a)	4,045,000	6·3	99·9	15.2.74
15.9.71	..	..	275,000	6·5	Par.	15.2.76
..	..	..	9,000	6·8	..	15.11.80
..	..	..	17,000	7	..	15.7.91
..	..	..	36,000	7	..	15.7.05
..	..	..	50,000	Sp. Bonds	..	1.8.82
4·75	19,602,000	4,348,000 (a)	6,886,000	6·3	99·9	15.2.74
15.9.71	..	..	8,019,000	6·5	Par.	15.2.76
..	..	..	135,000	6·8	..	15.11.80
..	..	..	78,000	7	..	15.7.91
..	..	..	38,000	7	..	15.7.05
..	..	..	98,000	Sp. Bonds	..	1.8.82
4·75	27,066,000	5,955,000 (a)	8,154,000	5·3	..	15.5.75
15.2.72	..	..	6,908,000	5·8	..	15.11.81
..	..	..	3,682,000	6	..	15.10.91
..	..	..	2,132,000	6	..	15.7.05
..	..	..	235,000	Sp. Bonds	..	1.1.83
5	25,680,100	2,360,100 (a)	20,871,000	6·3	99·9	15.2.74
15.9.71	..	..	295,000	6·5	Par.	15.2.76
..	..	..	721,000	6·8	..	15.11.80
..	..	..	1,350,000	7	..	15.7.91
..	..	..	2,000	7	..	15.7.05
..	..	..	81,000	Sp. Bonds	..	1.8.82
5	12,211,134	5,788,700 (b)	6,422,434	..	..	1.10.82
1.1.72	..	..	..	..	..	..
5·2	19,177,600	438,600 (a)	14,657,000	5·3	..	15.8.75
15.5.72	..	..	3,890,000	5·8	..	15.11.81
..	..	..	130,000	6	..	15.10.91
..	..	..	62,000	Sp. Bonds	..	1.1.83
5·4	26,159,300	2,861,300 (a)	11,356,000	5·3	..	15.8.75
15.5.72	..	..	1,863,000	5·8	..	15.11.81
..	..	..	8,182,000	6	..	15.10.91
..	..	..	1,590,000	6	..	15.7.05
..	..	..	307,000	Sp. Bonds	..	1.1.83
5·6	39,321,000	3,385,000 (a)	13,193,000	6·4	Par.	15.5.74
15.7.71	..	..	14,495,000	6·5	99·8	15.2.76
..	..	..	2,564,000	6·8	Par.	15.11.80
..	..	..	2,954,000	7	..	15.7.91
..	..	..	2,590,000	7	..	15.7.05
..	..	..	140,000	Sp. Bonds	..	1.10.78
6·4	49,457,000	1,979,000 (a)	13,583,000	5·3	..	15.8.75
15.5.72	..	..	13,102,000	5·8	..	15.11.81
..	..	..	9,173,000	6	..	15.10.91
..	..	..	11,489,000	6	..	15.7.05
..	..	..	131,000	Sp. Bonds	..	1.1.83
	223,722,134	21,943,000 (a) 5,788,700 (b)	195,990,434			

There were no loan proceeds applied to the redemption of securities in 1971-72 other than from Special Bonds.

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 :—

Series.	Redeemed.			Funds Provided by—	
	Maturing.	Face Value.	At Cost of—	Series "V".	Series "W" and "X".
		\$	\$	\$	\$
K	1.1.72	5,788,700	5,958,684	179,724	5,778,960
L	1.10.72	707,800	721,956	234,192	487,764
M	1.8.73	258,800	263,976	89,454	174,522
N	1.3.74	1,007,800	1,027,956	345,372	682,584
O	1.4.75	587,700	593,577	192,506	401,071
P	1.10.75	457,100	461,671	167,963	293,708
Q	1.4.76	215,100	217,251	57,166	160,085
R	1.7.76	827,200	835,389	354,124	481,265
S	1.3.77	140,200	140,200	51,200	89,000
T	1.6.77	1,290,400	1,290,400	496,600	793,800
U	1.4.78	1,581,400	1,581,400	464,200	1,117,200
V	1.10.78	1,050,600	1,050,600	..	1,050,600
	..	13,912,800	14,143,060	2,632,501	11,510,559

WORKS AND HOUSING PROGRAMME.

Expenditure under the works and housing programme in the year 1971-72 amounted to \$221,401,068, compared with \$199,159,238 in 1970-71. Details of this expenditure are shown below :—

	1970-71	1971-72
	\$	\$
School Buildings	41,199,000	44,390,182
Commonwealth-State Housing Agreement	40,047,914	..
Housing Commission .. .. .	..	25,550,000
Melbourne and Metropolitan Board of Works	10,000,000	19,803,028
Country Water and Sewerage Works	18,042,045	19,469,171
Railways	15,888,794	15,444,234
Hospitals	15,438,753	14,359,547
Electricity Commission	5,000,000	11,000,000
Home Builders .. .. .	..	10,950,000
Victoria Institute of Colleges and Colleges of Advanced Education	4,618,842	4,747,719
Municipal Subsidies	3,788,262	4,538,404
Public Buildings	5,356,923	4,385,785
Forests	3,515,996	3,622,000
Mental Hospitals including Alcoholism Services	3,485,593	3,339,965
Universities—		
La Trobe	2,147,000	3,146,000
Melbourne	1,157,667	2,641,667
Monash	1,719,430	970,000
Vermin and Noxious Weeds	2,591,727	2,815,307
Slum Reclamation	2,615,034	2,288,796
Police Buildings and Equipment	1,047,683	2,103,074
Gas and Fuel Corporation—Works .. .. .	..	2,000,000
Share Capital	100,000	20,000
Social Welfare	1,337,327	1,711,830
Agriculture	1,891,541	1,554,900
Country Roads Board	1,170,550	1,418,330
Westernport Development and Harbor Facilities	2,261,608	1,412,859
Rural Finance	835,000	1,365,000
Victorian Arts Centre .. .. .	..	1,345,000
Melbourne and Metropolitan Tramways Board	2,150,000	1,200,000
Government Buildings Fire Insurance Fund .. .. .	..	1,000,000
Teacher Housing Authority .. .. .	..	856,000
Land Settlement	1,326,975	734,982
Advances—Sundry	1,489,425	682,676
Court Houses	653,942	506,934
Soil Conservation	428,073	467,134
Sanatoria and General Health	386,621	283,432
Other Public Works	7,467,513	9,277,112
Total	199,159,238	221,401,068

Public Debt under the Financial Agreement.

The Public Debt statement in the Treasurer's Finance Statement shows that the total indebtedness at 30th June, 1972, amounted to \$2,474,343,623. Of this, \$2,424,680,066 represented internal and \$49,663,557 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 \$2,469,278,366, an increase of \$143,902,904 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 loan raisings .. .. .	..	2,882,490,831
<i>Less—Exchange premium—</i>		
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>	
		2,853,299,679
<i>Less—Equity in National Debt Sinking Fund—Cancelled Securities ..</i>		378,956,056
		<u>2,474,343,623</u>
<i>Less—Share of Cash—National Debt Sinking Fund</i>		5,065,257
		<u>2,469,278,366</u>

As already mentioned, there is additional liability to the Commonwealth for loans for housing and other special purposes.

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

	\$
Interest—On Funded Debt	131,832,222
Loan Conversion and Management Expenses and Expenses of Paying Interest ..	431,971
	<u>132,264,193</u>
Total Interest and Expenses (excluding interest on Commonwealth advances for Housing and Soldier Settlement)	23,840,862
Sinking Fund—State's Contribution to National Debt Sinking Fund.. .. .	156,105,055
	<u>139,773,928</u>
The comparable figure for the previous year was	139,773,928

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, 1971 .. .. .	..	3,165,687
Contributions 1971-72—		
<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 ..	6,037,536	
	<u> </u>	6,378,408
<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	5,931,502	
4 per cent. per annum on deficit loans	1,484,584	
·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	321,052	
2 per cent. per annum on tourist resorts development ..	11,384	
Various, on discount and expenses overseas loans ..	25,189	
4·5 per cent. per annum on cancelled securities	15,243,076	
	<u> </u>	23,840,863
		<u> </u>
		33,384,958
Interest — temporary investment and repurchased securities .. ..	..	73,795
		<u> </u>
		33,458,753
Securities repurchased and redeemed, \$26,398,595, at a cost of .. ..	..	28,393,496
		<u> </u>
Balance of cash in Sinking Fund at 30th June, 1972 .. .. .	..	5,065,257
		<u> </u>

The total amount of securities repurchased or redeemed and cancelled on account of this State since the inception of the scheme is now \$378,956,056 at a cost, including exchange on overseas purchases, of \$401,158,396.

PART IV.—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 1971-72 aggregating \$1,137,773,574 and credits, \$1,158,941,569.

Statement No. 3 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.	1971-72.		Balance 30th June, 1972.
		Debits.	Credits.	
		\$	\$	\$
Apprenticeship Commission Awards Account	To record the receipt and disbursement of donations received by the Apprenticeship Commission from various organizations for the purpose of providing awards to outstanding apprentices	1,700	3,437	1,737
Bees Compensation Fund	To receive fifty per cent. of the amount of registration fees paid pursuant to the <i>Bees Act</i> 1971 and to apply such fees to the payment of claims for compensation	103	885	782
Commonwealth Grant Rural Employment (1971) Trust Account	To record moneys received by the State from the Commonwealth for the purpose of creating employment in non-metropolitan areas	3,509,484	6,075,000	2,565,516
Commonwealth-State Marginal Dairy Farms Reconstruction Scheme Trust Account	To record transactions pursuant to an agreement between the Commonwealth and the State to operate a scheme for the reconstruction of small dairy holdings having insufficient potential to develop as economic farm units	285,000	285,000	Nil
County Court Trust Account	To receive trust moneys held by the Registrar of the County Court in excess of current requirements	..	100,000	100,000
Dartmouth Dam Construction Account	To record transactions associated with the construction by the State Rivers and Water Supply Commission of the Dartmouth Dam pursuant to an agreement between the Commonwealth and the States of Victoria, New South Wales and South Australia	115,156	223,607	108,451
Defence Housing (Commonwealth) Account	To record advances received by the State from the Commonwealth pursuant to financial arrangements relating to the construction of houses for allotment to servicemen	1,164,539	1,164,539	Nil
Department of Agriculture—Various Short Courses Trust Account	To receive contributions towards conducting courses in connection with the Beef and Dairy Industries and to record expenditure associated with the operations thereof	643	3,300	2,657
Dried Fruits Research Trust Account	To record transactions relating to grants made available to the Department of Agriculture by the Dried Fruits Research Committee for the purpose of undertaking special research projects in the dried fruits industry	230	6,113	5,883
Government Printing Office Working Account	To record revenue collections other than advertising revenue and other moneys appropriated for the purpose of the Account and to apply such moneys to meet the operating expenses of the Government Printing Office	..	500,000	500,000
Greyhound Racing Grounds Development Fund	To record financial transactions relative to commission deducted from investments with the Totalizator Agency Board in respect of greyhound races pursuant to the <i>Racing (Amendment) Act</i> 1971	50,370	88,247	37,877
Home Builders' Account No. 2	To record moneys allocated from the Works and Services Account, repayments of advances and financial assistance from the Commonwealth for the purpose of making advances to co-operative housing societies to assist them in providing housing in accordance with the <i>Housing Act</i> 1958	7,403,501	11,265,056	3,861,555

Account or Fund.	Purpose for which Established.	1971-72.		Balance 30th June, 1972.
		Debits.	Credits.	
		\$	\$	\$
Housing Grants (Commonwealth) Account	To record transactions relative to moneys paid to the State by the Commonwealth pursuant to the Commonwealth <i>States Grants (Housing) Act 1971</i> for the purpose of providing financial assistance for housing	673,750	673,750	Nil
Mt. Hotham Alpine Resort Fund	Pursuant to the <i>Mt. Hotham Alpine Resort Act 1972</i> to receive all moneys paid by way of rent or royalty and to apply such moneys towards the management and improvement of the resort area	78,106	81,274	3,168
Rental Assistance Grants (Commonwealth) Account	Pursuant to the Commonwealth <i>States Grants (Housing) Act 1971</i> to record transactions relating to financial assistance received by the State from the Commonwealth for the purpose of leasing dwellings to needy persons at low rentals	331,250	331,250	Nil
States Grants (Rural Reconstruction) Trust Account	To record transactions relating to an agreement between the Commonwealth and the State for the purpose of providing financial assistance to persons engaged in rural industries	8,500,000	8,500,000	Nil
States Grants (Technical Training) Trust Account 1971	Pursuant to the Commonwealth <i>States Grants (Technical Training) Act 1971</i> to record grants of financial assistance paid to the State by the Commonwealth for the purpose of providing buildings and equipment for use in technical training during the period 1st July, 1971, to 30th June, 1974	913,234	1,500,000	586,766
Teacher Housing Authority Fund	To receive moneys appropriated by Parliament and any other moneys payable pursuant to the <i>Teacher Housing Act 1970</i> for the purpose of providing and maintaining adequate and suitable accommodation for teachers at rentals fixed by the Teachers Tribunal	487,000	544,084	57,084
Virus Tested Material Repositories Trust Account	To record the receipt and disbursement of funds contributed equally by the Commonwealth and the States pursuant to an agreement for the development of repositories for virus-tested plant material	30,032	30,700	668

Current Funds and Accounts.

For convenience in explaining the funds and accounts within the Trust Fund, the relevant figures for 1971-72 are set out under broad classifications in the table below :—

	Balance Forward.	1971-72.		Balance 30th June, 1972.
		Debits.	Credits.	
	\$	\$	\$	\$
Commonwealth	12,212,226	165,626,073	165,122,408	11,708,561
Commonwealth-State	702,931	1,793,796	1,802,228	711,363
Compensation and Insurance	75,877,894	87,768,862	95,513,240	83,622,272
Deposit	1,434,052	454,171	485,428	1,465,309
Depreciation	3,545,864	3,411,805	3,645,666	3,779,725
Social, Health and Welfare	1,438,905	94,496,984	94,770,164	1,712,085
Superannuation and Pension	13,671,910	3,613,636	2,481,537	12,539,811
Suspense	31,250,947	352,001,035	349,558,774	28,808,686
Works and Development	18,973,575	303,822,763	319,542,590	34,693,402
Other	6,959,983	124,777,754	125,982,422	8,164,651
Total	166,068,287	1,137,766,879	1,158,904,457	187,205,865

In addition, securities to a value of \$15,516,537 have been lodged with the Treasurer. Transactions in 1971-72 were debits \$6,695 and credits \$37,112. Further reference to these securities is made on page 40.

Details of investments held on account of the Trust Fund and included in the balances of the various Funds and Accounts at 30th June, 1972, are shown in the Treasurer's Finance Statement at pages 74 and 81.

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	62
La Trobe University (Commonwealth Subsidy) Account	La Trobe University	66
Monash University (Commonwealth Subsidy) Account	Monash University	64
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	41
Commonwealth Aid Roads Accounts	53
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 1970-71 and 1971-72 :—

	1970-71.	1971-72.
	\$	\$
Balance 1st July	93,845	275,641
Received from Commonwealth during the year	7,228,749	8,873,704
	<u>7,322,594</u>	<u>9,149,345</u>
Reimbursements to Public Hospitals, &c.	7,046,953	7,936,612
Balance 30th June	<u>275,641</u>	<u>1,212,733</u>

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 1970-71 and 1971-72:—

	1970-71.	1971-72.
	\$	\$
Balance 1st July	297,034	4,400
Received from Commonwealth during the year	2,350,000	3,501,120
	<u>2,647,034</u>	<u>3,505,520</u>
Expenditure (provision of free milk, &c.)	2,642,634	3,215,294
Balance 30th June	<u>4,400</u>	<u>290,226</u>

Home Builders' Account.

Pursuant to the terms of the 1956-66 Housing Agreement, part of the moneys which were made available by the Commonwealth to the State for housing was to be used to provide finance for home builders by means of loans to building societies and other approved institutions. That part was credited to an account in the Trust Fund called the "Home Builders' Account".

The Agreement expired on 30th June, 1971. As from that date, the Home Builders' Account has no longer been financed by advances from the Commonwealth Government, but it remains operative, advances to societies being made from the "revolving fund" which has been built up within the Account from repayments by societies over the years during which the Account has functioned.

A summary of the transactions for the year in the Home Builders' Account is given hereunder :—

	\$
<i>Source of Funds—</i>	
Balance 1st July, 1971	1,018,049
Interest and Repayments of Principal by Societies	14,203,337
Total Funds Available	15,221,386
 <i>Disbursement of Funds—</i>	
Advances to Registry of Co-operative Housing Societies	8,993,300
Commonwealth—Interest and Redemption	5,815,043
State of Victoria—Administrative Cost	252,539
Total Disbursements	15,060,882
Balance 30th June, 1972	160,504
	15,221,386

Home Builders' Account No. 2.

The new arrangements between the Commonwealth and the State in respect of housing finance, which have been entered into on the basis of a five-year period commencing on 1st July, 1971, are given legislative sanction in Act No. 8206 and the Commonwealth's *States Grants (Housing) Act 1971*. The provisions of Act No. 8206 amended the *Co-operative Housing Societies Act 1958* and established a new account in the Trust Fund to be known as the "Home Builders' Account No. 2". Also under the terms of the amending Act, the Treasurer was authorized to issue and apply out of the Works and Services Account amounts not exceeding \$60,000,000, any amounts so issued and applied to be credited to the "Home Builders' Account No. 2".

The essential difference between the old financial arrangements and the new is that the States, instead of paying to the Commonwealth a subsidized rate of interest which was fixed at 1 per cent. below the prevailing bond rate, in respect of housing moneys paid to the Home Builders' Account, will now have to pay a rate equivalent to the long-term bond rate. For the five-year period ending 30th June, 1976, for which the new arrangements are to operate, the States, in compensation, will receive from the Commonwealth, in respect of each of the five years' borrowings, an interest-free grant for the next 30 years which must be used to reduce the repayments which are to be made by the individual members of Co-operative Housing Societies.

A summary of the transactions in the Home Builders' Account No. 2 for the year is given hereunder :—

	\$
<i>Source of Funds—</i>	
Advances from State Treasury ex Works and Services Account	10,950,000
Commonwealth Grant	202,125
Interest and Repayments of Principal	122,931
	11,275,056
 <i>Disbursement of Funds—</i>	
Advances to Registry of Co-operative Housing Societies	7,375,000
State of Victoria—(Interest on Loans)	38,501
Total Disbursements	7,413,501
Balance 30th June, 1972	3,861,555
	11,275,056

Towards the end of the 1971–72 financial year, it was seen that moneys in the Home Builders' Account would not be sufficient, on 30th June, 1972, to meet the requirements in regard to payments of interest and redemption to the Commonwealth on Home Builders' advances relevant to that Account. To relieve the difficulty, the sum of \$600,000 was advanced to the Home Builders' Account from the Home Builders' Account No. 2. The legislation in terms of which the latter Account was established expressly states the purposes for which moneys in the Account may be made available. Advances to the Home Builders' Account are not included in these purposes.

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 1971-72 totalled \$868,797.

State Grants (Advanced Education) Trust Accounts—Capital.

These accounts record transactions relating to grants of financial assistance to the State by the Commonwealth under the provisions of the States Grants (Advanced Education) Acts for advanced education college building projects, equipment of a capital nature and library material.

The following statement summarizes the transactions during 1971-72 :—

	Colleges of Advanced Education.				Total.
	Victoria Institute of Colleges and Affiliated Colleges.	Under departmental control and not affiliated with the Victoria Institute of Colleges.			
		Education Department.	Agriculture Department.	Forests Commission.	
	\$	\$	\$	\$	\$
Balance—1st July	485,679	..	Dr. 3,454	1,352	483,577
Commonwealth—Building and Equipment Grants ..	5,439,278	..	35,974	9,057	5,484,309
Library Materials Grants	90,785	1,000	3,000	1,400	96,185
	6,015,742	1,000	35,520	11,809	6,064,071
Expenditure—Buildings	4,337,097	513	119	3,057	4,340,786
Equipment	431,625	..	7,997	6,753	446,375
Library Materials	91,285	500	2,895	1,037	95,717
	4,860,007	1,013	11,011	10,847	4,882,878
Balance—30th June	1,155,735	Dr. 13	24,509	962	1,181,193

State Grants (Advanced Education Recurrent) Trust Account.

Pursuant to the provisions of the States Grants (Advanced Education) Acts, an amount of \$7,341,478 was received from the Commonwealth during 1971-72 in respect of recurrent expenditure of colleges of advanced education. Expenditure totalled \$7,260,745 and the balance held in the Trust Account as at 30th June, 1972, was \$80,733.

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

	Colleges of Advanced Education.				Total.
	Victoria Institute of Colleges and Affiliated Colleges.	Under departmental control and not affiliated with the Victoria Institute of Colleges.			
		Education Department.	Agriculture Department.	Forests Commission.	
	\$	\$	\$	\$	\$
Commonwealth Grant on account of recurrent expenditure for advanced education	645,381	6,348,213	236,351	30,800	7,260,745

State Grants (Science Laboratories) Trust Account.

Under the provisions of its States Grants (Science Laboratories) Acts, the Commonwealth granted financial assistance to the State for science laboratories and equipment in State schools and independent schools.

The following statement summarizes the transactions during 1971-72 :—

						State Schools.	Independent Schools.	Total.
						\$	\$	\$
Balance—1st July, 1971	..	..	..	..	..	791,084	124	791,208
Grants from Commonwealth	..	..	..	..	..	2,008,905	1,359,294	3,368,199
						<u>2,799,989</u>	<u>1,359,418</u>	<u>4,159,407</u>
Expenditure .. .. .	..	..	..	..	..	2,025,138	1,313,664	3,338,802
Balance—30th June, 1972	..	..	..	..	..	<u>774,851</u>	<u>45,754</u>	<u>820,605</u>

State Grants (Secondary Schools Libraries) Trust Account.

Pursuant to the provisions of the States Grants (Secondary Schools Libraries) Act, a grant of \$2,518,600 was provided by the Commonwealth during 1971-72 towards establishing, stocking and equipping State and independent secondary school libraries.

The following statement summarizes the transactions during 1971-72 :—

						State Schools.	Independent Schools.	Total.
						\$	\$	\$
Balance—1st July, 1971	..	..	..	..	..	920,580	262,845	1,183,425
Grants from Commonwealth	..	..	..	..	..	1,940,600	578,000	2,518,600
						<u>2,861,180</u>	<u>840,845</u>	<u>3,702,025</u>
Expenditure .. .. .	..	..	..	..	..	2,719,015	488,502	3,207,517
Balance—30th June, 1972	..	..	..	..	..	<u>142,165</u>	<u>352,343</u>	<u>494,508</u>

State Grants (Teachers Colleges) Trust Accounts.

Under the provisions of its States Grants (Teachers Colleges) Acts, the Commonwealth granted financial assistance to the State towards approved building projects in connexion with teachers' colleges. At 1st July, 1971, \$506,885 was held in the Trust Accounts and during the financial year a further \$2,750,000 was received from the Commonwealth. Expenditure totalled \$2,443,434 and the balance held in the Trust Accounts at 30th June, 1972, was \$813,451.

State Grants (Technical Training) Trust Accounts.

Pursuant to the provisions of its States Grants (Technical Training) Acts, the Commonwealth 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. At 1st July, 1971, \$1,106,263 was held in the Trust Account and during 1971-72 grants totalling \$1,500,000 were received. Expenditure on account of technical, agricultural and forestry school buildings and equipment totalled \$1,831,614. The balance held in the Trust Accounts at 30th June, 1972, was \$774,649.

State Grants (Independent Schools) Trust Account.

Pursuant to the provisions of its States Grants (Independent Schools) Act, the Commonwealth provides assistance to schools, other than those conducted by the State or for the profit of individuals, which provide full-time primary or full-time secondary education. The amounts payable to each school were calculated to 31st December, 1971, at the rate of \$35 per annum for each primary school pupil and \$50 per annum for each secondary school pupil. From 1st January, 1972, these payments were increased to \$50 and \$68 per pupil respectively. At 1st July, 1971, \$1,908 was held in the Trust Account and during the financial year \$9,666,073 was credited to the Account and \$9,665,596 debited, leaving the balance held in the Trust Account at 30th June, 1972, at \$2,385.

COMMONWEALTH—STATE.

The major accounts classified under this head are the Commonwealth—State Sirex Trust Account, the Tobacco Experimental Works Account, the Drug Education Programme Trust Account and the Commonwealth—State Eradication of Brucellosis and Tuberculosis Account. The Commonwealth—State Sirex Trust Account is discussed under “Forests Commission” at page 70.

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	80
Railway Accident and Fire Insurance Fund	91
State Accident Insurance Fund	46
State Motor Car Insurance Fund	48

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 \$102,222 and claims paid amounted to \$12,190. The surplus of \$90,032 on the year's operations was transferred, in terms of the legislation, to the Consolidated Fund 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*. That Act provided for a yearly charge against the Consolidated Fund of \$4,000 and for the crediting of the Fund with interest on the balance of the Fund in excess of \$30,000.

Application of this Fund is restricted to Government buildings but, under a contract of insurance negotiated by the Insurance Commissioner through the Fire and Accident Underwriters Association of Victoria, a pool of insurers, known as the Government Fire Insurance Pool, provides insurance cover in regard to buildings and other property 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.

Additional moneys were provided at the close of the year to the Government Buildings Fire Insurance Fund by transfer of \$1,000,000 from Treasurer's Advance pending parliamentary sanction to an appropriation from the Works and Services Account.

Transactions of the Fund during 1970-71 and 1971-72 are summarized below :—

	1970-71.	1971-72.
	\$	\$
Balance, 1st July	690,643	735,373
Special Appropriation	4,000	4,000
Income from Investment.. .. .	40,730	41,886
Allocation from Treasurer's Advance .. .. .	..	1,000,000
	<hr/>	<hr/>
	735,373	1,781,259
Expenditure .. .. .	..	..
	<hr/>	<hr/>
Balance, 30th June	735,373	1,781,259
	<hr/>	<hr/>
Which included Investments of	690,000	765,000

In terms of the Act establishing the Fund, the cash balance in excess of \$30,000 is required to be invested.

DEPOSIT.

Items under this heading comprise securities lodged by Insurance and Trustee Companies, \$170,000 ; Contractors' and Timber Cutters' deposits, \$511,757 ; Municipalities Loan Repayment Account, \$550,522, which includes investments totalling \$440,242 ; Sundry Investments and Interest Account, \$93,030 ; and Law Department—Sureties Trust Account, \$140,000.

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	102
Forests Plant and Machinery Fund	71
Irrigation Districts Maintenance Equalization and Renewals Account ..	99
Printing Machinery Depreciation Fund	72
Public Works Plant and Machinery Fund	87
Railway Renewals and Replacements Fund	89
Water Supply Plant and Machinery Depreciation Fund	100
Water Supply Works Depreciation Fund	100

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	41
Hospitals and Charities Fund	77
Workers Compensation Board Fund	50

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 the Consolidated Fund 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 :—

<i>Source of Funds—</i>	1970-71. \$	1971-72. \$
Balance from Previous Year	3,337	10,643
Government Contributions :—		
Special Appropriation—Act No. 6240	50,000	50,000
Departmental Vote—Education	164,265	183,071
Works and Services Account	7,952	..
Fees and Proceeds :—		
Classes, Lectures and Discussion Groups	207,086	227,081
Schools and Conferences	21,926	16,406
Community Arts Service	1,206	1,674
Miscellaneous	1,511	2,036
	457,283	490,911

	1970-71.	1971-72.
	\$	\$
<i>Disbursement of Funds—</i>		
Administration—Salaries	158,113	190,583
General Expenses	72,357	81,387
	<hr/>	<hr/>
Classes, Lectures and Discussion Groups	230,470	271,970
Schools and Conferences	152,282	175,338
Community Arts Service	33,430	17,615
Library	6,191	6,413
East Melbourne Centre—Maintenance and Operating Costs	8,464	13,891
Miscellaneous	13,276	3,988
	<hr/>	<hr/>
	2,527	364
	<hr/>	<hr/>
<i>Balance at End of Year</i>	446,640	489,579
	<hr/>	<hr/>
	10,643	1,332
	<hr/>	<hr/>
	457,283	490,911
	<hr/>	<hr/>

Mental Hospitals Fund.

The *Tattersall Consultations Act 1958* provides, in respect of each financial year, for the payment from the Consolidated Fund 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 1971-72, duty paid amounted to \$6,789,503. The sum of \$1,365,000 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, 1972 :—

	During the Year.	Total.
	\$	\$
<i>Receipts.</i>		
Balance 1st July, 1971	3,321	..
Special Appropriations— <i>Tattersall Consultations Act 1958</i>	1,365,000	12,078,846
	<hr/>	<hr/>
	1,368,321	12,078,846
	<hr/>	<hr/>
<i>Payments.</i>		
Capital Works .. .. .	..	622,000
Maintenance Works .. .. .	..	300,000
General Expenditure (State Institutions) .. .. .	..	3,360,216
Maintenance Grants (Other Institutions)	1,351,000	6,937,143
Mental Health Research (University of Melbourne)	14,000	232,000
Capital Grants (Other Institutions) .. .. .	..	624,166
	<hr/>	<hr/>
	1,365,000	12,075,525
	<hr/>	<hr/>
Balance 30th June, 1972	3,321	3,321
	<hr/>	<hr/>

SUPERANNUATION AND PENSION.

The funds included in this group are the Police Pensions Fund, Police Superannuation Fund, Port Phillip Pilot Sick and Superannuation Fund and Superannuation Trust Fund. The Superannuation Fund, the Pensions Supplementation Fund, the Married Women's Superannuation Fund and the Parliamentary Contributory Superannuation Fund do not form part of the Public Account and reference to these latter funds will be found 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.

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.

Commencing from 1st December, 1971, the date fixed by the Treasurer pursuant to Section 4 of the *Pensions Supplementation Act* 1966, regular fortnightly transfers of moneys were made from the Police Pensions Fund to the Pensions Supplementation Fund to meet the cost of supplementing police pensions and police widows' pensions. Transfers for the period 1st December, 1971, to 30th June, 1972, amounted to \$321,801.

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

								1970-71.	1971-72.
								\$	\$
<i>Receipts.</i>									
Deductions from pay .. .. .	..	..	..	..	..	..	55,961	64,322
Interest on Investments .. .. .	..	..	..	..	..	..	631,768	626,888
Balance in hand—1st July .. .. .	..	..	..	..	..	..	12,735,005	11,832,321
								13,422,734	12,523,531
<i>Disbursements.</i>									
Pensions .. .. .	..	..	..	..	..	..	1,518,662	1,580,165
Gratuities .. .. .	..	..	..	..	..	..	56,948	26,002
Deductions refunded—on resignation .. .. .	..	..	..	..	..	..	14,803	19,629
Pensions Supplementation Fund .. .. .	..	..	..	..	..	..	..	321,801
								1,590,413	1,947,597
Balance, 30th June .. .. .	..	..	..	..	..	..	11,832,321	10,575,934
Represented by :—									
Investments .. .. .	..	..	..	..	..	..	11,740,500	10,350,900
Cash .. .. .	..	..	..	..	..	..	91,821	225,034
								11,832,321	10,575,934

At 30th June, 1972, the investments of the Fund comprised Commonwealth Government Inscribed Stock, \$7,500,900, 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 \$10,350,900.

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.

Income of the Fund was \$11,690 which comprised the State's contribution of \$4,000, fines amounting to \$970 and a transfer from the Pensions Supplementation Fund pursuant to Section 4 (7) of the *Pensions Supplementation Act* 1966 of \$6,720. Pension payments from the Fund totalled \$11,030.

As provided by Section 4 (4) (b) of the *Pensions Supplementation Act* 1966 the amount standing to the credit of the Police Superannuation Fund at 30th June, 1971, \$7,072, was paid to the Pensions Supplementation Fund in 1971-72.

Mention was made in the Reports for the past three years that the balance of the Police Superannuation Fund as at 30th June, 1968, \$32,854, was not paid to the Pensions Supplementation Fund as required by the legislation. Since the close of the 1971-72 financial year, steps have been taken by the Treasury and the State Superannuation Board of Victoria, the authority responsible for administering the Pensions Supplementation Fund, to settle the matter.

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 1970-71 and 1971-72 :—

							1970-71.	1971-72.
							\$	\$
<i>Receipts.</i>								
Deductions from Earnings	..	..	..	..	..	..	97,394	104,947
Interest on Investments	..	..	..	..	..	..	70,787	76,472
Balance, 1st July	..	..	..	..	..	..	1,335,109	1,421,149
							<hr/>	<hr/>
							1,503,290	1,602,568
<i>Payments.</i>								
Pensions	..	..	..	..	..	..	82,141	86,557
Triennial Valuation Report	..	..	..	..	..	..	..	555
							<hr/>	<hr/>
							82,141	87,112
Balance, 30th June	..	..	..	..	..	..	1,421,149	1,515,456
Represented by :—								
Investments	..	..	..	..	..	..	1,345,008	1,468,596
Cash	..	..	..	..	..	..	76,141	46,860
							<hr/>	<hr/>
							1,421,149	1,515,456

Investments comprised inscribed stock of the Commonwealth Government, \$81,300, the State Electricity Commission, \$736,500, the Melbourne and Metropolitan Board of Works, \$371,600, the Grain Elevators Board, \$68,000, Registered First Mortgages over the Pilot Vessels "Akuna" and "Hawk", \$66,196 and Gas and Fuel Corporation debenture stock, \$145,000.

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	70
Drivers' Licence Suspense Account	15, 45
Public Works Stores Suspense Account	87
Railway Charges in Suspense Account	91
Railway Stores Suspense Account	91
Tourist Bureaux Trust Account	95
Water Supply Stores Suspense Account	100

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	52
Forest Equipment Hire Account	71
Forestry Fund	70
Industrial Development Fund	96
National Parks Fund	96
State Rivers and Water Supply Commission Agency Trust Account	101
Teacher Housing Authority Fund	103
Timber Promotion Committee Trust Account	71
Tourist Fund	94

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

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, less costs of collection, 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 :—

	1970-71.		1971-72.	
	\$	\$	\$	\$
Balance 1st July	298,905		81,708	
Receipts—				
Additional Registration Fees	1,056,086		1,128,135	
	<u>1,354,991</u>		<u>1,209,843</u>	
Expenditure—				
By Railway Department	1,136,597		951,229	
By Country Roads Board	136,686		241,531	
	<u>1,273,283</u>		<u>1,192,760</u>	
Balance 30th June		81,708		17,083

Municipalities Assistance Fund.

In addition to subsidies provided from the Consolidated Fund to municipalities, funds are 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 part of all motor drivers' licence fees and 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 Municipalities Assistance Fund is at any time insufficient to meet the sums and contributions authorized to be paid out of the Fund, moneys may be issued and applied from the Consolidated Fund to meet such insufficiency.

During the year, an amount of \$1,600,000 was contributed to the Fund from the Works and Services Account.

Following is a summary of operations in the Fund :—

	1970-71.		1971-72.	
	\$	\$	\$	\$
Balance, 1st July		472,957		623,464
Contribution—Works and Services Account ..		850,000		1,600,000
Receipts from Fees—Motor Car Drivers' and Instructors' Licences	1,192,832		1,827,461	
Less Costs of Collection	72,696		129,167	
	<u>1,120,136</u>		<u>1,698,294</u>	
		<u>2,443,093</u>		<u>3,921,758</u>
Expenditure—				
Contribution to Country Fire Authority		1,309,235		1,497,930
Contribution to Casual Fire Fighters Compensation Fund		10,395		2,248
Subsidies to Municipalities for Works ..		499,999		576,970
		<u>1,819,629</u>		<u>2,077,148</u>
Balance, 30th June		623,464		1,844,610
		<u>2,443,093</u>		<u>3,921,758</u>

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 1970-71 and 1971-72 are set out below :—

	1970-71.		1971-72.	
	\$	\$	\$	\$
Balance, 1st July	9,662,146		10,420,382	
Receipts—				
Registration Fees	15,557,533		16,105,848	
		25,219,679		26,526,230
Expenditure—				
By Country Roads Board	7,760,785		6,721,172	
By Melbourne and Metropolitan Board of Works	7,038,512		7,812,709	
		14,799,297		14,533,881
Balance, 30th June		10,420,382		11,992,349

Works and Services Account.

This Account, established pursuant to the *Public Account Act 1958*, is financed from the Consolidated Fund by allocations determined by the Treasurer and expenditure therefrom is met only under authority of appropriations by Parliament. For the purpose of presenting many of the statements included in this Report, expenditure of appropriations from the Consolidated Fund through the Works and Services Account has been treated as expenditure from the Consolidated Fund.

The balance of the Account at 1st July, 1971, was \$5,231,106 and allocations from the Consolidated Fund during 1971-72 amounted to \$230,241,011. Expenditure, including an amount of \$3,890,880 disbursed from Treasurer's Advance pending parliamentary sanction thereto, was \$221,949,862, leaving a balance in the Account at 30th June, 1972, of \$13,522,255.

Details of the expenditure met from the Account, exclusive of \$548,794 loan raising expenses, are given on page 23.

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 1970 and 1971.

1970.					1971.	
\$					\$	\$
	Income—					
40,995	Contributions				35,336	
3,886	Other				3,693	
<u>44,881</u>					<u>39,029</u>	
	Expenditure—					
4,470	Allowances, Board Members				4,393	
9,693	Salaries, Office Staff				14,030	
20,445	Inspection and Grading				18,009	
8,908	General Expenses				9,920	
<u>43,516</u>					<u>46,352</u>	
1,365	Surplus		Result for Year	.. .. .	Deficit	7,323

At 30th June, 1972, the balance at credit of the Fund in the Treasury amounted to \$62,505 and comprised cash \$25 and investments \$62,480.

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

							Page Reference No.
<i>Account</i>							
The Licensing Fund	..	..	..	..	..	..	15
Race-courses Development Fund	..	..	..	..	..	..	12-13
Greyhound Racing Grounds Development Fund			..	..	..	..	12-13
Totalizator Agency Board Trust Account	..	..	..	..	..	..	12-13
Traffic Authority Fund	..	..	..	..	..	..	54
Transport Regulation Fund	..	..	..	..	..	..	104

Securities Lodged with Treasurer.

The major items included in this category relate to shares of the Gas and Fuel Corporation of Victoria purchased by the State under the provisions of the *Gas and Fuel Corporation Act 1958*, \$15,435,394, and to a Geelong Harbor Trust debenture securing the outstanding balance of an advance, \$70,817.

PART V.—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 1971–72 in relation to this Fund were :—

	\$	\$
Balance 1st July, 1971		932
Receipts—		
The Consolidated Fund—		
Vote	410,000	
Works and Services Account	332,000	
	742,000	120,000
Commonwealth Grants—Education, Health, Employment		120,000
Repayment of Loans		9,399
Sale of Property		33,031
Rent and Accommodation Charges		25,625
Donations		8,977
Miscellaneous		13,927
		953,891
Payments—		
Assistance to Aborigines	516,051	
Administration, &c., Costs	422,616	
	938,667	15,224
Balance 30th June, 1972		953,891

ABORIGINAL HOUSING (COMMONWEALTH) TRUST ACCOUNT.

In 1971–72, grants totalling \$400,000 were paid to the State by the Commonwealth. Of this amount, \$280,000 was allocated for housing and the balance, \$120,000, for education, health and employment. 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 40 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 \$301,117 representing the housing allocation of \$280,000, rent and loan repayments of \$8,365, and house sales \$12,752. Expenditure for the year on the purchase and construction of dwellings amounted to \$137,560. At 30th June, 1972, the balance in the Account was \$267,213.

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.

COST TO THE CONSOLIDATED FUND.

The expenditure of the Department from the Consolidated Fund for the year was \$14,733,460, against which there were departmental receipts of \$2,353,892, resulting in a net outgoing of \$12,379,568 compared with \$11,098,387 for the previous year. Details of the expenditure and receipts for the two years are :—

<i>Expenditure.</i>	1970-71.	1971-72.
	\$	\$
Special Appropriation—Agricultural Colleges	100,000	100,000
Vote—		
Agriculture—Salaries, Expenses, Other Services	10,920,285	12,530,154
Treasurer—Workers Compensation Insurance, Pay-roll Tax	275,712	420,492
Public Works—Maintenance and Rent of Buildings	126,060	127,914
Works and Services Account—Acquisition of Properties, Construction of Works, &c.	1,890,236	1,554,900
	13,312,293	14,733,460
<i>Receipts.</i>		
Departmental Services	2,109,114	2,205,612
Licences—Dairies, Dairy Farms, Dairy Produce Factories, &c.	104,792	148,280
	2,213,906	2,353,892
Net outgoing (excluding debt charges)	11,098,387	12,379,568

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 "A" to this Report.

The receipts shown in Appendix "A", amounting to \$1,019,358 were credited to the Consolidated Fund. Payments amounting to \$4,864,237 were made from the Consolidated Fund for general maintenance purposes and capital items.

The capital items were Buildings \$859,451, Plant and Equipment \$163,466, Water Reticulation \$58,769, other Permanent Improvements \$60,795, and Purchase of Properties, Furniture, Fencing and Roads \$262,089.

Victoria Dock Cool Stores.

In the following statements, the accounting transactions of the Cool Stores are presented on a commercial basis and show that, for the year ended 30th June, 1972, a profit of \$50,390 was earned. This compares with a profit of \$47,993 for the previous year.

The 1971-72 figures are subject to audit.

	1970-71.		1971-72.	
	\$	\$	\$	\$
<i>Revenue.</i>				
Storage and Shipping Charges, &c.	415,192		448,336	
Rental	160,618		154,437	
		575,810		602,773
<i>Expenditure.</i>				
Salaries and Wages, &c.	228,721		236,999	
Pay-roll Tax	5,561		7,552	
Rent of Site	2,724		5,252	
Maintenance	20,529		28,236	
Electrical Energy	59,576		56,675	
Other Charges (net)	10,540		10,563	
Depreciation	62,212		59,174	
Interest on Capital	137,954		147,932	
		527,817		552,383
Profit for year		47,993		50,390

ABRIDGED BALANCE-SHEET.

30.6.71.						30.6.72.
\$						\$
2,473,510	Capital provided by State					2,485,463
149,392	Contribution by Commonwealth, &c.					149,392
9,622	Sundry Creditors					11,763
5,921	Reserve					5,921
1,346	Accrued Expenses					1,019
	Profit forward				1,095,972	
	Plus Net Operating Profit				50,390	
1,095,972						1,146,362
3,735,763						3,799,920
	Fixed Assets at cost less depreciation :—					
1,431,854	Buildings					1,395,276
353,213	Machinery, Plant, &c.					342,586
23,928	Roads and Railway Sidings					23,482
1,808,995						1,761,344
5,509	Stores on hand					5,554
199,825	Sundry Debtors					274,812
117	Prepaid Expenses .. .. .					..
1,721,317	Excess of payments to the Consolidated Fund over working and other expenses provided therefrom					1,758,210
3,735,763						3,799,920

During the year, capital provided by the State was increased by \$11,953. This amount was expended on 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 the Consolidated Fund 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.

CHIEF SECRETARY.

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

Police.

COST TO THE CONSOLIDATED FUND.

The net cost of police services was \$39,601,124. 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 and expenditure from the Works and Services Account. Expenditure and receipts for the year are compared hereunder with corresponding figures for the previous year :—

<i>Expenditure.</i>					1970-71.	1971-72.
					\$	\$
Special Appropriation—						
Pensions and Superannuation, &c.	..	..	..	..	599,665	789,981
Vote—						
Police—						
Salaries and Allowances	..	..	..	..	28,104,864	35,200,272
Overtime and Penalty Rates	..	..	..	..	725,155	332,305
Payments in lieu of Long Service Leave		..	..	..	360,954	471,481
General Expenses	..	..	..	..	3,747,859	4,335,558
Treasurer—						
Workers Compensation Insurance, Pay-roll Tax	..	..	..	..	934,760	1,361,326
Public Works—						
Maintenance and Rent of Buildings	..	..	..	..	28,617	27,722
Works and Services Account—						
Police Buildings and Residences	..	..	..	..	1,047,683	2,103,074
					35,549,557	44,621,719
<i>Receipts.</i>						
Departmental Services	..	..	..	..	1,423,891	1,761,503
Firearms and other licences	..	..	..	..	69,478	68,978
Recoup of administrative expenses—Motor Registration Branch	..	..	..	..	2,587,594	3,190,114
					4,080,963	5,020,595
Net cost of police services	..	..	..	..	31,468,594	39,601,124

The greater net cost of police services arose mainly from the increase in “Salaries and Allowances” which in turn was substantially due to :—

(i) Determinations of the Police Service Board involving—

(a) Salary increases as from 10th January, 1971 ; and

(b) Salary increases as from 2nd May, 1971.

(ii) A net increase of 329 in the strength of the police force during 1971-72.

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 :—

1970-71.		1971-72.
\$		\$
56,755,104	Fees under the Motor Car Act	61,797,694
39,219,877*	Third Party Insurance Premiums	40,418,650*
7,007,293	Stamp Duty	8,960,828
102,982,274		111,177,172

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

\$	<i>Country Roads Board Fund—</i>	\$	\$
33,251,579	Motor Fees and Examiners' Licences	34,775,856	
808,385	Drivers' Licence and Motor Driving Instructors' Licence Fees..	915,737	
2,112,175	Additional Registration Fees	2,397,127	
36,172,139			38,088,720
	<i>Level Crossings Fund—</i>		
1,056,086	Additional Registration Fees		1,198,562
	<i>Municipalities Assistance Fund—</i>		
1,192,832	Drivers' Licence Fees and Motor Driving Instructors' Licence Fees ..		1,827,461
	<i>Transport Regulation Fund—</i>		
9,711	Omnibus Registration Fees		10,376
	<i>Roads (Special Projects) Fund—</i>		
15,557,533	Increase in Registration Fees		16,105,848
	<i>Hospitals and Charities Fund—</i>		
1,735,838	Contributions—Third Party Insurance Premiums		1,824,005
	<i>Consolidated Fund—</i>		
2,382,355	Drivers' Licence and Motor Driving Instructors' Licence Fees..	3,655,003	
2,464,302	Insurance Surcharges	2,588,942	
7,007,293	Stamp Duty	8,960,828	
		15,204,773	
	<i>Drivers' Licence Suspense Account—</i>		
384,448	Drivers' Licence Fees		911,724
	<i>Approved Third Party Insurers—</i>		
35,019,737	Net Premiums collected on their behalf		36,005,703
102,982,274			111,177,172

*Excludes collections by authorized insurers.

Fees under the Motor Car Act.—Fees collected by the Branch under the Motor Car Act increased by \$5,042,590. The higher collections from this source were due, mainly, to :—

- (i) the greater number of motor cars registered—1,524,267 compared with 1,435,885 in 1970-71 ; and
- (ii) the operation for a full twelve months of the increase in the triennial fee for a motor driver's licence from \$6 to \$12.

Third Party Insurance.—An increase of \$1,198,773 in the total premiums collected on behalf of authorized insurers was indicative of the greater volume of transactions handled by the Branch in 1971-72.

The *Motor Car (Hospitals and Charities Contributions) Act* 1966 provides 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 deducted in 1971-72 was at the rate of \$1.40 per premium and the total amount credited to the Fund, including collections by authorized insurers, was \$2,138,405.

Costs of Collection.—Costs of collection in respect of fees under the Motor Car Act are apportioned between the participating funds, including the Consolidated Fund, with the exception that, in respect of amounts credited to the Roads (Special Projects) Fund, the relevant costs of collection are borne by the Country Roads Board Fund.

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 \$3,350,833. This profit has yet to be appropriated, as at 30th June, 1972, 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.

	1969-70.	1970-71.	1971-72.
	\$	\$	\$
Income—			
Premiums Earned	9,733,275	11,659,351	12,922,493
Interest	687,331	816,413	858,727
Rents (Net)	193,825	208,860	249,174
	10,614,431	12,684,624	14,030,394
Expenditure—			
Claims	7,227,530	8,747,640	9,791,938
Management	549,136	529,915	672,303
Agents' Commission	205,820	245,517	215,243
Loss—Sale of Property	178	1,039	77
	7,982,664	9,524,111	10,679,561
Net Profit	2,631,767	3,160,513	3,350,833
	%	%	%
Loss ratio to earned premium income	74.3	75.0	75.8

APPROPRIATION ACCOUNT.

	1969-70.	1970-71.	1971-72.
	\$	\$	\$
Net Profit	2,631,767	3,160,513	3,350,833
Adjustment of provision for Unearned Premiums, previous years	1,018,716	..	..
Adjustment of Licence Fees in Advance for previous years .. .. .	..	98,321	..
	3,650,483	3,258,834	3,350,833
Appropriations—			
Bonus Equalization Reserve	1,000,483	1,408,834	Yet to be Determined
General Reserve	1,250,000	300,000	
Consolidated Fund	1,400,000	1,550,000	
	3,650,483	3,258,834	3,350,833

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 *Workers Compensation Act 1972*, with effect from 9th May, 1972, amended the Principal Act by varying the interpretation of "Worker" to include a person employed whose yearly remuneration exceeds \$6,000. The amending legislation also provided for substantial increases in benefits.

The net profit for the year under review, \$3,350,833, was \$190,320 higher than that for 1970-71. An increase in net premiums earned was more than sufficient to absorb substantial rises in the cost of incurred claims and in expenses of management.

The amounts shown as incurred claims for the past three financial years were determined as follows :—

	1969-70.	1970-71.	1971-72.
	\$	\$	\$
Claims paid during the year	6,990,611	7,045,636	8,306,875
Add Claims unpaid as at close of year	14,838,193	16,540,197	18,025,260
	<u>21,828,804</u>	<u>23,585,833</u>	<u>26,332,135</u>
Less Claims unpaid brought forward from previous year	14,601,274	14,838,193	16,540,197
Incurred claims	<u>7,227,530</u>	<u>8,747,640</u>	<u>9,791,938</u>

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

30.6.71.		Assets.	30.6.72.
\$			\$
	Current—		
18,159,429	Cash at Treasury		18,200,895
1,478,234	Sundry Debtors, less Bad Debts Provision		2,002,006
			<u>20,202,901</u>
7,679,140	Inscribed Stock and Debentures		7,659,140
266,292	Balance due <i>re</i> sale of Property—412 Collins-street, Melbourne		242,083
	Fixed—		
139,121	Furniture, Office Machines, and Cars—less Depreciation		123,765
3,581,824	Property (at cost)—Offices—480-490 Collins-street, Melbourne		5,094,115
			<u>5,217,880</u>
<u>31,304,040</u>			<u>33,322,004</u>
		<i>Liabilities and Funds.</i>	
	Current—		
1,054,267	Unearned Premiums		1,030,363
16,540,197	Claims Outstanding		18,025,260
45,297	Sundry Creditors		50,016
1,550,000	Provision for Contribution to Consolidated Fund .. .. .		..
217,387	Provision for Reinsurance Premiums.. .. .		204,596
			<u>19,310,235</u>
	Deferred—		
2,531,124	Bonus Equalization Reserve		1,230,431
315,768	Building Depreciation and Maintenance Provision		380,505
			<u>1,610,936</u>
	Funds—		
9,020,000	General Reserve		9,020,000
30,000	Building Improvement Reserve		30,000
..	Appropriation Account		3,350,833*
			<u>12,400,833</u>
<u>31,304,040</u>			<u>33,322,004</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.

The Office has accumulated losses of \$20,990,005 in the period from its inception in 1941 to 30th June, 1972.

Operations for the year resulted in an overall loss of \$3,402,245 compared with a loss of \$1,281,380 in 1970-71.

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

	1970-71.			1971-72.		
	Third-Party.	Comprehensive.	Total.	Third-Party.	Comprehensive.	Total.
	\$	\$	\$	\$	\$	\$
Net Premiums earned	15,056,073	5,497,654	20,553,727	17,347,535	6,007,860	23,355,395
Stamp Duty recouped .. ..	..	291,759	291,759	..	330,843	330,843
	15,056,073	5,789,413	20,845,486	17,347,535	6,338,703	23,686,238
Claims	18,122,260	4,269,803	22,392,063	23,061,971	4,335,428	27,397,399
Management	503,815	1,126,409	1,630,224	536,099	1,242,070	1,778,169
Licence Fee .. ..	..	268,020	268,020	..	321,196	321,196
	18,626,075	5,664,232	24,290,307	23,598,070	5,898,694	29,496,764
Operating Profit .. ..	..	125,181	125,181	..	440,009	440,009
Operating Loss	3,570,002	..	3,570,002	6,250,535	..	6,250,535

	1970-71.		1971-72.	
	\$	\$	\$	\$
Net Operating Loss .. ..	..	3,444,821	..	5,810,526
Add—Loss on Disposal of Property .. ..	..	394	..	241
		3,445,215		5,810,767
Less—Interest—Fund at Treasury	2,053,627		2,408,522	
Adjustment Licence Fee in Advance for Previous Years	110,208		..	
		2,163,835		2,408,522
Net Loss .. ..	..	1,281,380	..	3,402,245
Loss ratio to earned premium income—		%		%
Third-party .. ..	..	120·4	..	132·9
Comprehensive .. ..	..	77·7	..	72·2

Rises in premiums, operative from 1st December, 1970, were effective for the full year of 1971-72 and were the main reason for the improved result in respect of Comprehensive Insurance operations.

A further decline in the overall financial position of the Office was chiefly attributable to a substantial increase in the value of incurred claims on account of Third Party operations. As in previous years, the assessment of the estimated liability for unsettled and unreported claims at the close of the year had a major influence on the financial result.

The following statement shows details of incurred claims for Third Party Insurance, as recorded in the accounts, in each of the past three years :—

	1969-70.	1970-71.	1971-72.
	\$	\$	\$
Claims paid during the year	10,484,421	12,350,834	14,276,186
<i>Add</i> —Claims unpaid as at close of year	44,591,789	50,363,215	59,149,000
	<u>55,076,210</u>	<u>62,714,049</u>	<u>73,425,186</u>
<i>Less</i> —Claims unpaid brought forward from previous year	28,255,959	44,591,789	50,363,215
Incurred claims	<u>26,820,251</u>	<u>18,122,260</u>	<u>23,061,971</u>

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

30.6.71.		30.6.72.
\$		\$
	<i>Assets.</i>	
	<i>Current—</i>	
9,953,878	Cash at Treasury	10,076,478
3,879,032	Sundry Debtors, less Bad Debts Provision	3,434,869
17,265	Trust Account	24,939
<u>13,850,175</u>		<u>13,536,286</u>
	<i>Investments—</i>	
31,667,365	Government and Semi-Government Securities	37,747,101
	<i>Fixed—</i>	
41,954	Furniture and Office Machines less Depreciation	49,373
	<i>Profit and Loss Account—</i>	
17,587,760	Accumulated Loss	20,990,005
<u>63,147,254</u>		<u>72,322,765</u>
	<i>Liabilities and Provisions.</i>	
	<i>Current—</i>	
10,743,091	Unearned Premiums	11,460,546
51,447,930	Claims Outstanding	60,347,900
71,062	Sundry Creditors	66,641
885,171	Provision for Reinsurance Premiums	447,678
<u>63,147,254</u>		<u>72,322,765</u>

The estimated liability for Third Party Claims outstanding at 30th June, 1972, (including provision for unreported claims and claims of the “Nominal Defendant”) was determined from statistics and other claims experience available to the Insurance Commissioner, together with an assessment of certain current individual claims files. Outstanding claims on account of Comprehensive Insurance were calculated from statistical and other information with provision for unknown and unforeseen liabilities.

In respect of both classes of insurance conducted by the Office, the certificate of the Commissioner was accepted as to the reasonableness and adequacy of the provision for unsettled and unreported claims in the accounts at balance date.

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 1971-72 are submitted subject to audit. Particulars of the Income and Expenditure of the Fund for the years 1970-71 and 1971-72 are as follows :—

	1970-71.	1971-72.
	\$	\$
<i>Income—</i>		
Contributions from insurers and others	219,172	345,480
<i>Expenditure—</i>		
Salaries, including pay in lieu of long service leave ..	125,681	169,131
Rent	63,289	63,289
General	32,425	38,458
Claims on uninsured employers paid from the Fund (net) ..	50,705	63,026
	272,100	333,904
Excess of Income over Expenditure .. .. .	..	11,576
Excess of Expenditure over Income	52,928	..

In 1971-72, an amount of \$12,660, previously advanced from the Consolidated Fund to supplement the Workers Compensation Board Fund in accordance with sub-section 10 of Section 82 of the Act, was repaid.

All amounts of compensation granted under awards of the Board in cases of death and of 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. All moneys in the custody of the Board are invested in a Common Fund. Interest on the investments is apportioned equitably over all the constituent accounts.

Receipts and Payments of the Common Fund for the years 1970-71 and 1971-72 are summarized below :—

	1970-71.	1971-72.
	\$	\$
Receipts	6,638,291	8,083,395
Payments	4,476,792	4,831,790
Excess of receipts over payments	2,161,499	3,251,605
Balance at beginning of year	20,063,713	22,225,212
Balance at close of year	22,225,212	25,476,817

Investments, &c., controlled by the Board at 30th June, 1972, are shown hereunder :—

Common Fund—	\$
Cash, State Savings Bank of Victoria	176,795
Apollo Bay Sewerage Authority Debentures	100,000
Ballarat Water Commissioners Debentures	400,000
Dromana-Rosebud Sewerage Authority Debentures	100,000
Drouin Sewerage Authority Debentures	200,000
Frankston Sewerage Authority Debentures	1,200,000
Gas and Fuel Corporation Debentures	200,000
Geelong Waterworks and Sewerage Trust Debentures	2,550,000
Melbourne and Metropolitan Board of Works Debentures	7,350,000
Mornington Sewerage Authority Debentures	350,000
Mount Eliza Sewerage Authority Debentures	100,000
Nathalia Sewerage Authority Debentures	100,000
Numurkah Sewerage Authority Debentures	100,000
Orbost Waterworks Trust Debentures	100,000
Port Fairy Sewerage Authority Debentures	700,000
Queenscliffe Sewerage Authority Debentures	100,000
Shepparton Sewerage Authority Debentures	300,000
State Electricity Commission Debentures	10,700,000
West Moorabool Water Board Debentures	650,000
Temporary Advances	22
	25,476,817

Other Branches.

The cost to the Consolidated Fund of the remaining sub-departments and branches of the Chief Secretary's Department for 1971-72 compared with the previous year is set out below :—

	Receipts.	Payments.			Net Outgoing 1971-72.	Net Outgoing 1970-71.
		Vote.	Works and Services Account.	Total.		
	\$	\$	\$	\$	\$	\$
State Library, &c.	5,429	3,630,909	240,802	3,871,711	3,866,282	3,508,521
National Gallery	84	959,481	1,345,000	2,304,481	2,304,397	865,234
Government Statist	420,592	669,364	..	669,364	248,772	287,242
Fisheries and Wildlife	332,983	1,388,358	195,024	1,583,382	1,250,399	1,036,957
Other Branches	118,317	191,589	..	191,589	73,272	176,225
Administrative	111,735	655,966	..	655,966	544,231	496,418

COUNTRY ROADS BOARD.

The construction and maintenance of State highways, main roads, freeways, 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.

FUNDS AVAILABLE TO THE BOARD.

(a) *Country Roads Board Fund.*

The principal sources of revenue of the Fund in 1971-72 were :—

- (i) *Fees under the Motor Car Act.*—Receipts for the year under this Act amounted to \$38,549,805 and the costs of collection were \$4,254,188. The comparable figures in 1970-71 were, respectively, \$36,457,938 and \$3,563,400.

The increase in collections, \$2,091,867, was due, mainly, to the greater number of motor vehicles registered in Victoria—1,524,267 compared with 1,435,885 in 1970-71. Drivers' licence testing fees also increased by \$172,614 following the doubling of the maximum fee by the *Motor Car (Driving Offences) Act 1971*. Costs of collecting fees under the Motor Car Act increased by \$690,788 during 1971-72.

In addition to meeting the costs of collection of fees under the Motor Car Act, 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 \$534,167 compared with \$513,317 in 1970-71.

- (ii) *Municipal Contributions.*—Municipalities which have benefited from permanent works upon main roads, State highways or developmental roads, or from maintenance works upon main roads, are required to pay to the Board annual contributions in respect of the funds expended. In 1970-71 these contributions totalled \$2,017,914, and increased to \$2,190,207 in 1971-72. In certain circumstances, the required contribution may be reduced or waived, and, for 1971-72, these concessions amounted to \$1,847,898.

- (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 \$9,136,206, compared with \$8,902,790 in 1970-71.

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

- (iv) *Special Contributions from the Works and Services Account.*—A total of \$982,500 was provided from the Works and Services Account to the Country Roads Board as Special Contributions. Debt charges in respect of these contributions are borne by the Consolidated Fund.

(b) *Works and Services Account.*

Under the authority of Section 31 of the *Country Roads Act 1958*, the Treasurer in 1971-72 provided from the Works and Services Account the sum of \$400,000 for the purpose of permanent works as defined in that Act. This sum was expended as follows :—

On permanent works on — Main Roads	..	..	..	..	\$ 12,695
State Highways	..	..	..	..	387,305
					400,000

The net liability of the Board at 30th June, 1972, in respect of moneys provided under Loan Application Acts and Works and Services Acts was \$33,212,773.

(c) Commonwealth Aid Roads Act.

By direction of the *Commonwealth Aid Roads Act 1969*, and subject to the conditions therein, the Commonwealth is paying to the States, for the purpose of financial assistance for road construction and maintenance and for road planning and research, annual sums commencing at \$180,000,000 in 1969–70 and increasing to \$310,000,000 in 1973–74, the final year in the statutory table. Victoria's share of the grant of \$235,000,000 for 1971–72 was \$49,820,000 of which \$45,300,000 was allocated to the Country Roads Board and \$4,520,000 to the Melbourne and Metropolitan Board of Works. The sum allocated to the Country Roads Board was expended in full.

Eligibility for receipt of the full amount of the grant is dependent on expenditure by the State on road works, including road planning and research, from its own resources being not less than the amount specified opposite its name in the schedule to the Act, adjusted each year according to the number of motor vehicles registered in the State in terms of the Act.

(d) Roads (Special Projects) Fund.

Pursuant to the provisions of the *Roads (Special Projects) Act 1965*, the Treasurer authorized the Country Roads Board to spend, in 1971–72, a maximum of \$6,785,000 for the purposes of eighteen projects approved by the Governor in Council.

Cash expenditure for the year was \$6,721,172, leaving an unexpended allocation at 30th June, 1972, of \$63,828. In accordance with the direction of the Treasurer, the unexpended allocation lapsed at 30th June, 1972.

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.

1970–71.					1971–72.	
\$	<i>Principal Funds Available.</i>				\$	\$
	<i>Country Roads Board Fund—</i>					
1,201,238	Balance from previous year .. .. .	..	..	..	78,000	
32,381,222	Net Fees, Motor Car Act .. .. .	..	..	..	33,761,450	
2,017,914	Municipal Contributions .. .. .	..	..	..	2,190,207	
8,902,790	Road Charges—Commercial Goods Vehicles Act ..	..	..	..	9,136,206	
543,336	General Receipts .. .. .	..	..	..	712,970	
782,550	Special Contributions—Works and Services Account ..	..	..	..	982,500	
45,829,050						46,861,333
	<i>Works and Services Account—</i>					
388,000	Act No. 6229—State Highways and Main Roads ..	..	..	..	400,000	
	<i>Commonwealth Aid Roads Act—</i>					
23,295,000	Urban Arterial Roads .. .. .	..	..	..	25,780,000	
2,880,000	Rural Arterial Roads .. .. .	..	..	..	3,440,000	
14,600,000	Rural Roads—Other .. .. .	..	..	..	15,330,000	
650,000	Planning and Research .. .. .	..	..	..	750,000	
41,425,000						45,300,000
	<i>Roads (Special Projects) Fund—</i>					
7,936,000	Expenditure authorized by the Treasurer .. .. .	..	..	..	6,785,000	
95,578,050						99,346,333

Expenditure.

1970-71. \$		1971-72. \$
79,490,750	Construction and Maintenance of Roads, (including Special Projects)	81,017,911
	Payments to the Consolidated Fund—	
2,317,496	Interest (including exchange)	2,397,474
109,074	Sinking Fund Contributions and Loan Conversion Expenses	110,331
77,558	Loan Repayments	76,489
617,363	Transfer to Tourist Fund	657,891
308,682	Transfer to Traffic Authority Fund	328,946
199,129	Contribution to Australian Road Research Board	239,000
12,204,783	General Expenditure, including Administration, Stores and Materials, &c.	14,322,336
<hr/>		<hr/>
95,324,835		99,150,378
78,000	Unexpended at 30th June—Cash at Credit of the Country Roads Board Fund ..	\$ 132,127
175,215	Balance of Authority for expenditure from the Roads (Special Projects) Fund ..	63,828
		<hr/>
		195,955
<hr/>		<hr/>
95,578,050		99,346,333

CONSTRUCTION AND MAINTENANCE OF ROADS.

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

	Country Roads Board Fund.	Commonwealth Aid Roads Act.	Works and Services Account.	Roads (Special Projects) Fund.	Total.
	\$	\$	\$	\$	\$
Main Roads	14,913,176	5,445,983	12,695	..	20,371,854
State Highways	12,498,808	8,846,123	387,305	380,419	22,112,655
Freeways	1,532,588	10,548,805	..	6,263,945	18,345,338
Tourists' Roads	2,038,225	245,372	..	..	2,283,597
Forest Roads	651,406	206,744	..	..	858,150
Unclassified Roads	2,571,867	14,397,642	..	76,808	17,046,317
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	34,206,070	39,690,669*	400,000	6,721,172	81,017,911

* Excludes Management and Operating Expenditure, \$4,859,331, and expenditure on Planning and Research, \$750,000.

TRANSFER TO TOURIST FUND.

The *State Development Act 1970* requires that an amount equal to 2 per cent. of certain fees collected under the *Motor Car Act* and credited to the Country Roads Board Fund under paragraph (d) of sub-section (1) of Section 38 of the *Country Roads Act 1958* in respect of the previous financial year shall be paid into the Tourist Fund. The amount so paid in 1971-72 was \$657,891.

For particulars of the operation of this Fund see p. 94.

TRANSFER TO TRAFFIC AUTHORITY FUND.

The *Road Traffic Act 1958*, as amended, established in the Treasury the Traffic Authority Fund and directed that an amount equal to one per cent. of the total amount paid into the Country Roads Board Fund pursuant to the *Motor Car Act 1958* during the last preceding financial year was to be paid out of the Country Roads Board Fund into the Traffic Authority Fund. The amount paid in 1971-72, \$328,946, represented one per cent. of the fees collected under the provisions of the *Motor Car Act* and paid into the Country Roads Board Fund during 1970-71 and purported to be the amount required to be so paid in terms of the legislation.

However, the only amounts paid into the Country Roads Board Fund pursuant to the Motor Car Act consist of two-thirds of the additional registration fees collected under Section 8 of that Act. All other fees collected under the provisions of the Motor Car Act and paid into the Country Roads Board Fund are so paid because of the requirements of Section 38 of the *Country Roads Act* 1958, not the Motor Car Act.

Following upon reference to this matter in my previous Report, consideration is being given to appropriate amendments to the *Road Traffic Act* 1958, to validate the existing method of calculating this annual transfer.

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 paid initially by the Country Roads Board and are defrayed by contributions from statutory bodies in the manner and proportions determined by the Governor in Council in terms of the Act.

Expenditure for the year by the Committee amounted to \$154,900 of which \$37,710 was apportioned to the Country Roads Board. Unallocated expenses of \$24,905 remained a charge to the Public Account at 30th June, 1972.

EDUCATION.

The cost of education met from State Funds during 1971-72 was \$387,882,680. 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 :—

	\$	\$
Special Appropriations .. .. .	..	8,134,381
Departmental Votes—		
Education	285,686,971	
Treasury	39,346,462	
Public Works	587,953	
Agriculture	70,000	
	325,691,386	
<i>Less—Recoups of Expenditure, &c.</i>	402,342	
		325,289,044
Works and Services Account .. .. .	..	55,967,913
		389,391,338
<i>Less—Receipts</i> .. .. .	..	1,509,658
Net Cost to the Consolidated Fund .. .. .	..	387,881,680
Trust Fund—Forestry Fund .. .. .	..	1,000
Cost of Education met from State Funds .. .. .	..	387,882,680

Receipts and expenditure during 1970-71 and 1971-72 on the preceding basis were :—

	1970-71. \$	1971-72. \$
Consolidated Fund—		
Expenditure	330,679,039	389,391,338
Receipts	1,821,288	1,509,658
	328,857,751	387,881,680
Trust Fund—Forestry Fund	1,000	1,000
Cost of Education met from State Funds	328,858,751	387,882,680

ANALYSIS OF THE COST OF EDUCATION MET BY THE STATE.

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

<i>Expenditure—</i>	1970-71. \$	1971-72. \$
Salaries, &c.—Teaching Service	165,265,157	200,084,927
Salaries, &c.—General Administration and Clerical Assistance	4,222,672	4,886,608
Pay-Roll Tax	4,279,099	6,662,259
Allowances to Students in Training	17,545,378	20,089,881
Workers Compensation Insurance	1,208,406	1,527,278
Travelling Expenses and Allowances, &c.	671,215	1,099,690
Libraries—Grants and Subsidies	223,809	263,127
School and Office Equipment and Requisites	2,138,552	2,356,470
Text Books, Publications, Examination Expenses, Postage and Telephone Expenses, Incidentals	867,038	907,821
School Cleaning and Services	8,751,728	9,946,043
Conveyance of Pupils	9,473,009	10,411,607
Bursaries, Scholarships and Maintenance Allowances	3,287,940	3,409,397
International Teaching Fellowships	466,253	678,131
Operating Costs—Hostels and Residential Camps	991,470	1,110,542
Buildings, Sites, &c.—Capital Works	34,238,500	37,568,988
—Maintenance	5,224,431	5,178,764
Grants, &c.	65,005,756	75,068,360
Fees—Universities and Other	973,018	1,264,604
Pensions—Retired Teachers and Officers.. .. .	5,846,608	6,877,841
	330,680,039	389,392,338
<i>Receipts (Net)—</i>		
Tuition Fees	245,807	312,291
Rents	559,327	77,795
Board—Students in Training, &c.	559,847	548,426
Broken Bond Debts	215,373	255,592
Recoups from Independent Schools—Equipment	42,722	31,744
Miscellaneous	198,212	283,810
	1,821,288	1,509,658
	328,858,751	387,882,680

A detailed statement providing a comparative analysis of expenditure and receipts, in respect of the various services, is given in Appendix D.

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

Salaries—Teaching Service.—Expenditure under this head increased by \$34,819,770. The following factors contributed to the increase :—

- (i) the effect of a full year's cost of salary movements which occurred during 1970-71 ;
- (ii) Teachers Tribunal determinations, operative from July, 1971, and May, 1972;
- (iii) the annual salary increments of teachers and an increase of roundly 2,600 in teacher numbers.

Comments on various matters relating to the payment of salaries and allowances are given hereunder :—

Overpayments and Underpayments of Salaries.

The matter of over and underpayments mentioned in previous Reports received attention by the Department during the year. Over and underpayments continued to occur in this large and complex payroll, but revised departmental procedures and improvements in the area of electronic data processing should bring about a reduction in the volume of such errors.

Allowances to Students in Training.—An increase of \$2,544,503 in students' allowances was due mainly to:—

- (i) the effect of a full year's cost of movements in allowances which occurred during 1970-71 ;
- (ii) an increase in the number of students in training ;
- (iii) a Teachers Tribunal determination, operative from May, 1972 ;
- (iv) an increase in the number of graduates and under-graduates being awarded studentships and paid allowances at special rates ; and
- (v) the annual increments in allowances to students.

International Teaching Fellowship Scheme.—During 1971–72, the sum of \$678,131 was expended by the Department for the provision of International Teaching Fellowships, bringing total expenditure since the inception of the Scheme in 1970–71 to \$1,144,384. The purpose of this scheme is to attract qualified science and mathematics teachers from Great Britain, Canada and U.S.A., in order to overcome an acute shortage of qualified teachers in these categories within the Victorian school system. Living and other allowances amounting to approximately \$16,000 over the two year engagement period are payable in respect of each Fellowship awarded.

Grants, &c.—Expenditure rose from \$65,005,756 to \$75,068,360, an increase of \$10,062,604. The payment of higher grants to the Universities, Colleges of Advanced Education and independent schools contributed mainly to the increase in this item.

Conveyance of Pupils.—This cost increased by \$938,598 during 1971–72. The rise was attributable mainly to the following factors :—

- (i) adjustments to school bus contract rates because of increased operating costs ;
- (ii) the provision of additional transport services ; and
- (iii) an increase in the number of students receiving conveyance allowances.

For several years, conveyance allowances have been paid to students undertaking courses of a tertiary nature at Colleges of Advanced Education, although there was doubt as to whether statutory authority existed for payments to students at such institutions. The allowances will be phased out for tertiary and other post Higher School Certificate pupils from and inclusive of 1st January, 1973.

Rents.—Receipts declined from \$559,327 to \$77,795, a decrease of \$481,532. As from 5th September, 1971, rental of departmental residences, with some minor exceptions, has become a responsibility of the Teacher Housing Authority.

Broken Bond Debts.—Collections on account of these debts during 1971–72 amounted to \$255,592 and, during the same period, debts totalling \$1,802,717 on account of 987 ex-students were written off with the approval of the Treasurer. The amounts written off were, in the main, owed by students who had failed their courses in 1971–72 and prior years. The total debt due at 30th June, 1972, was \$3,169,434 on account of 1,769 ex-students.

TECHNICAL SCHOOLS AND COLLEGES.

Funds provided from the Consolidated 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 towards providing libraries, science laboratories and equipment.

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

<i>Source of Funds</i> —	1971–72.	
	\$	\$
Funds provided by the State—		
The Consolidated Fund .. .. .	..	70,554,700
Funds provided by the Commonwealth—		
Science Laboratories	1,032,435	
Secondary School Libraries	970,401	
Technical Training	1,582,129	
	<hr/>	3,584,965
Receipts collected by Schools and Colleges—		
Tuition Fees	1,936,825	
Other	584,262	
	<hr/>	2,521,087
Total Available Funds .. .. .	..	<hr/><u>76,660,752</u>

<i>Disbursement of Funds—</i>	\$	1971-72 \$
Salaries (including pay-roll tax)—		
Teachers and Part-time Instructors	45,587,820	
Administrative and Maintenance Staff	4,463,952	
	<hr/>	50,051,772
Erection and Maintenance of Buildings, &c. .. .. .	..	18,107,014
Equipment .. .. .	..	1,260,214
General Cost of Classes and Administrative Costs, &c. .. .. .	..	4,818,823
Scholarships, Maintenance and Conveyance Allowances to Pupils .. .. .	..	2,424,165
		<hr/>
<i>Less</i> Rents, &c., received by Education Department .. .. .	..	76,661,988 21,561
		<hr/>
<i>Add</i> Surplus for Year (Maintenance Accounts) .. .. .	..	76,640,427 20,325
		<hr/>
Total Funds Disbursed .. .. .	..	76,660,752

TRAINING OF TEACHERS.

Allowances paid to students in training represent approximately two-thirds of the cost to the Consolidated Fund of operating teachers' colleges. As at 30th June, 1972, the Department conducted 28 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 1970-71 and 1971-72 show average *per capita* costs (excluding capital items and grants to the Kindergarten Training College) based on the average number of students in training :—

	1970-71.	1971-72.
	\$	\$
Cost of conducting teachers' colleges	27,103,610	32,440,653
Cost of conducting hostels for students in training	510,857	645,048
	<hr/>	<hr/>
	27,614,467	33,085,701
	<hr/>	<hr/>
Average number of students in hostels	1,332	1,254
Average number of students accommodated privately	11,160	12,236
	<hr/>	<hr/>
Average total number of students	12,492	13,490
	<hr/>	<hr/>
	\$	\$
Average annual <i>per capita</i> cost of training (exclusive of accommodation) ..	2,170	2,405
Average additional annual <i>per capita</i> cost of training for those students accommodated in hostels	384	514

CONVEYANCE OF PUPILS.

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

	1970-71.	1971-72.
	\$	\$
Payments to contractors providing special bus transport services for pupils	8,014,052	8,784,738
Allowances not exceeding 10c per day for eligible pupils attending primary schools	205,312	201,791
Allowances for eligible pupils attending post-primary schools	1,243,125	1,412,783
Allowances for eligible pupils under reciprocal arrangements with other States	10,520	12,295
	<hr/>	<hr/>
	9,473,009	10,411,607
	<hr/>	<hr/>

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 1971-72 for the following purposes :—

	\$
Universities, Affiliated Residential Colleges and Teaching Hospitals—recurrent and capital expenditure	25,255,371
Universities—research projects	1,109,388
Advanced Education—recurrent expenditure	7,003,780
building projects and equipment of a capital nature	5,439,278
library materials	91,785
Science Laboratories—buildings and equipment	3,368,199
Technical Training—buildings and equipment	1,500,000
Teachers' Colleges—building projects	2,750,000
Secondary School Libraries—buildings and equipment	2,518,600
Independent Schools—recurrent expenditure	9,654,857
Child Migrant Education—salaries of teachers, equipment, &c.	850,569
	<u>59,541,827</u>

Disbursements from these grants and from the balances held in the various State Grants Trust Accounts at the beginning of the year were as follows :—

	\$	\$
Universities—		
Melbourne	11,924,579	
Monash	8,734,955	
La Trobe	5,700,225	
	<u>26,359,759</u>	
Advanced Education—		
Recurrent Expenditure	6,993,594	
College Buildings, &c.	4,769,235	
Library Materials	91,785	
	<u>11,854,614</u>	
Science Laboratories—		
State Schools	2,025,138	
Independent Schools	1,313,664	
	<u>3,338,802</u>	
Technical Training—		
School Buildings and Equipment		1,582,129
Secondary School Libraries—		
State Schools	2,719,015	
Independent Schools	488,502	
	<u>3,207,517</u>	
Independent Schools—		
Recurrent Expenditure		9,654,380
Child Migrant Education—		
Salaries, Equipment, &c.		890,519
Teachers' Colleges—		
College Buildings and Equipment		2,443,434
		<u>59,331,154</u>

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

The unexpended balances held in the various State Grants Trust Accounts in the Treasury at 30th June, 1972, were \$4,199,996.

The University of Melbourne.

Particulars of the University's income and expenditure for the calendar year 1971 compared with those of the previous year are shown in the following statement :—

<i>Income—</i>	1970.	1971.
	\$	\$
<i>Income—</i>		
State Government Grants—		
General Purposes	9,489,628	10,011,345
Building Purposes	444,321	1,502,287
Special Purposes	694,688	719,175
	10,628,637	12,232,807
Commonwealth Government Grants—		
General Purposes	7,108,600	7,893,400
Building Purposes	1,417,071	2,455,300
Special Purposes	2,136,680	2,359,190
	10,662,351	12,707,890
Students' Fees	4,515,617	5,747,565
Donations and Bequests	1,607,570	1,752,356
Interest, Dividends, Rents	734,204	765,753
Dental Hospital Building on account of Principal and Interest	208,679	211,640
Other Income	1,696,078	2,502,547
Total Income	30,053,136	35,920,558
<i>Expenditure—</i>		
Salaries and Associated Expenditure	19,167,361	21,518,030
Apparatus and Books	2,901,984	3,072,464
Maintenance, &c., Buildings, Land, Grounds and Vehicles	1,574,783	1,817,832
Examination Expenses	70,257	76,277
Special Grants and Fees to Affiliated Institutions	800,797	905,668
Other Expenses	2,405,056	2,781,597
Interest and Redemption—Dental Hospital Loan	208,681	211,644
Buildings—Erection, Purchase and Major Alteration	3,621,685	5,611,083
Total Expenditure	30,750,604	35,994,595
<i>* Balance—</i>		
	1970.	1971.
	\$	\$
Recurrent Funds	<i>Surplus</i> 25,000	—
Building Funds	<i>Deficit</i> 1,456,757	<i>Deficit</i> 918,549
Research Funds	<i>Surplus</i> 133,264	<i>Surplus</i> 57,923
Other Funds	<i>Surplus</i> 312,706	<i>Surplus</i> 278,137
Trust Funds	<i>Surplus</i> 288,319	<i>Surplus</i> 508,452
	<i>Net Deficit</i> 697,468	<i>Net Deficit</i> 74,037

* Takes into consideration inter-fund transfers.

The deficit of \$918,549 on account of Building Funds in 1971 and that of \$1,456,757 in 1970 were due to the fact that State contributions received in 1969 were not expended until 1970 and 1971.

In 1971, as in previous years, Government grants constituted the major portion of income of the University.

Income on account of Recurrent Funds in 1971 exceeded expenditure by \$240,833. This sum was applied as follows :—

	\$
Appropriated to meet expenditure in the final year of the 1970–72 triennium	238,905
Net transfer to the Departmental Votes Appropriation Fund in respect of commitments for outstanding orders	1,928
	<u>240,833</u>

The General Account at 31st December, 1971, showed an overall net surplus of \$1,049,838. Details are :—

<i>Surpluses—</i>		\$	\$
Research Funds		1,016,562	
Other Funds		1,289,854	
		<u>2,306,416</u>	
<i>Less Deficits—</i>			
Building Funds		551,769	
Recurrent Funds		704,809	
		<u>1,256,578</u>	
Net Surplus .. .. .		..	<u>1,049,838</u>

Trust funds totalled \$8,644,504 at the same date.

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 two calendar years :—

	1970.	1971.
	\$	\$
<i>Income—</i>		
State Government Grants—		
General Purposes	8,320,107	8,986,152
Building Purposes	1,293,502	1,232,430
Special Purposes	238,400	242,300
	9,852,009	10,460,882
Commonwealth Government Grants—		
General Purposes	5,878,000	6,676,000
Building Purposes	1,293,502	1,211,360
Special Purposes	504,544	596,829
	7,676,046	8,484,189
Students' Fees including Union Fees for Operational Purposes ..	2,845,637	3,829,137
Union Fees for Union Development	134,584	135,798
Grants and Donations including Public Appeals	795,691	1,039,717
Book Shop	31,126	36,263
Other Income	560,346	847,327
	4,367,384	5,888,242
Total Income	21,895,439	24,833,313
<i>Expenditure—</i>		
Salaries and Associated Expenditure	12,602,458	14,503,104
Books, Equipment, Furniture, &c.	1,826,369	1,963,267
Maintenance, &c., Buildings, Land, Grounds, Vehicles	1,956,669	2,260,881
Student Services	486,267	574,203
General Expenditure	3,080,169	2,852,836
Site Development	295,825	189,288
New Buildings	2,459,819	1,508,031
Union Development—Purchase of Land, &c.	318,487	67,609
Total Expenditure	23,026,063	23,919,219
	1970.	1971.
	\$	\$
<i>Balance—</i>		
Recurrent Funds	272,250	88,973
Capital Funds	542,457	236,684
Research Funds	69,432	24,491
Grants and Donations	309,488	113,570
Other Funds	75,861	450,376
	1,130,624	914,094
	<i>Net Deficit</i>	<i>Surplus</i>

The accumulated Funds at 31st December, 1971, showed an overall surplus of \$2,659,228. Details are :—

								\$
<i>Surpluses—</i>								
Grants and Donations	..	..	..	..	..	..	..	663,583
Recurrent Funds	..	..	..	..	..	..	..	670,314
Research Funds	..	..	..	..	..	..	..	140,014
Capital Funds	..	..	..	..	..	..	..	1,009,296
Other Funds	..	..	..	..	..	..	..	176,021
								<hr/>
Total..	..	..	..	..	..	..	..	2,659,228
								<hr/>

Government Grants, State and Commonwealth, were the principal sources of income in each year.

Student numbers increased from 10,384 in 1970 to 11,034 in 1971. Full-time staff numbered 2,207 in 1970 and 2,319 in 1971.

La Trobe University.

The statement below gives details of the income and expenditure of the University for the calendar years 1970 and 1971. Students enrolled were 2,519 in 1970, and 3,012 in 1971. Staff numbers increased from 666 at the end of 1970 to 743 at the end of 1971.

	1970.	1971.
	\$	\$
<i>Income—</i>		
State Government Grants—		
General Purposes	2,618,878	3,228,313
Building Purposes	1,233,000	3,245,000
	3,851,878	6,473,313
Commonwealth Government Grants—		
General Purposes	1,711,000	2,195,000
Building Purposes	1,233,000	3,245,000
Special Purposes	69,794	112,060
	3,013,794	5,552,060
Students' Fees	546,216	831,337
Grants and Donations	115,262	133,507
Other Income	123,526	126,340
Residential Colleges (Net) .. .. .	..	11,539
Book Shop .. .. .	..	12,745
	785,004	1,115,468
Total Income	7,650,676	13,140,841
<i>Expenditure—</i>		
Salaries and Associated Expenditure	3,895,867	4,859,600
Books, Equipment and Furniture	447,986	470,147
Maintenance, &c.—Buildings, Land, Grounds, Vehicles	177,352	202,051
General Expenditure	677,995	899,952
Site Development	789,376	701,171
New Buildings	2,287,885	5,585,667
Residential Colleges (Net)	34,932	..
Book Shop	15,934	..
	8,327,327	12,718,588
Total Expenditure	8,327,327	12,718,588
<i>Balance—</i>		
	1970.	1971.
	\$	\$
Recurrent Funds	<i>Deficit</i> 105,052	<i>Surplus</i> 145,232
Building Funds	<i>Deficit</i> 444,310	<i>Surplus</i> 393,490
Research Vote	<i>Deficit</i> 397	<i>Deficit</i> 19,393
Grants and Donations	<i>Surplus</i> 14,466	<i>Surplus</i> 33,435
Other Funds	<i>Deficit</i> 141,358	<i>Deficit</i> 130,511
	<i>Net Deficit</i> 676,651	<i>Net Surplus</i> 422,253

The Accumulated Funds at 31st December, 1971, showed an overall net surplus of \$180,656. Details are :—

	\$	\$
<i>Surpluses—</i>		
Recurrent Funds	31,499	
Building Funds	774,254	
Grants and Donations	130,492	
	936,245	
<i>Less Deficits—</i>		
Research Vote	10,445	
Other Funds	745,144	
	755,589	
Net Surplus	180,656	

Victoria Institute of Colleges.

The Institute's Income and Expenditure for the calendar years 1970 and 1971 are detailed below :—

	1970.	1971.
<i>Income—</i>	\$	\$
<i>State Government Grants—</i>		
General Purposes	206,140	229,715
Special Purposes .. .. .	..	27,201
	206,140	256,916
<i>Commonwealth Government Grants—</i>		
General Purposes	111,420	124,168
Special Purposes .. .. .	..	27,200
	111,420	151,368
Grants and Donations .. .. .	..	51,901
Other	4,515	9,996

Total Income	322,075	470,181
<i>Expenditure—</i>		
<i>Administrative and General Overhead—</i>		
Salaries	194,627	240,935
Other Administrative Expenditure	39,761	38,565
<i>Libraries—</i>		
Salaries	3,796	4,722
Books, Publications, &c.	1,134	1,206
<i>Buildings and Grounds—</i>		
Capital .. .. .	..	54,401
Recurrent	28,901	58,560
Miscellaneous	7,225	12,761

Total Expenditure	275,444	411,150
<i>Balance—</i>	<i>Surplus</i> 46,631	<i>Surplus</i> 59,031

Accumulated Funds at 31st December, 1971, amounted to \$125,355 and were composed of Recurrent Funds \$63,150, Gifts and Donations \$50,139 and Other Funds \$12,066.

The funds were represented by the following assets :—

	\$
Investments	80,000
Sundry Debtors	32,908
Cash	16,753
	129,661
<i>Less Sundry Creditors</i>	<i>4,306</i>
	125,355

Colleges of Advanced Education.

Funds provided from the Consolidated Fund for Colleges of Advanced Education are supplemented by receipts from tuition fees and other revenue collected by the Colleges. The Commonwealth also augments these funds under the provisions of its States Grants (Advanced Education) Acts. The Acts in force in the years under review, the 1967-1969 and 1969-1970 Acts, provide that the Commonwealth will augment funds in the following manner :—

- (i) For recurrent purposes, on the basis of \$1 for every \$1.85 of the total of grants from the State and fees as defined in the Acts received by the Colleges.
- (ii) For capital purposes, on the basis of \$1 for every \$1 granted by the State.
- (iii) For library acquisitions, an unmatched grant, i.e. a grant not dependent on receipt of moneys from the State or any other source.

The following statement, prepared from information supplied by the Victoria Institute of Colleges and the various Colleges, compares the sources and disbursement of funds for the past two calendar years.

1970.		1971.
\$		\$
	<i>Sources of Funds—</i>	
	Grants—	
14,047,603	For Recurrent Purposes	17,637,117
7,982,538	For Capital Purposes	11,299,074
..	For Library Acquisitions	103,741
1,608,688	Tuition Fees	1,617,873
42,201	Other Income	132,353
<hr/> 23,681,030	Total Funds Available	<hr/> 30,790,158
	<i>Disbursement of Funds—</i>	
	Recurrent—	
10,122,413	Teaching (Salaries and Expenses)	13,054,576
1,397,483	Administrative and General Overhead	1,937,905
685,016	Libraries (Salaries, Acquisitions &c.)	1,038,349
146,224	Halls of Residence (Salaries and Operating Expenses)	140,808
2,516,939	Building Premises and Grounds (Salaries, Maintenance Staff, Equipment, Rent, &c.)	2,603,266
590,353	Miscellaneous (Student Services, Salary Ancillary Charges, &c.)	835,388
<hr/> 15,458,428		<hr/> 19,610,292
	Capital—	
6,960,324	Buildings	9,360,733
75,421	Land and Property	748,133
946,793	Equipment	1,135,816
<hr/> 7,982,538		<hr/> 11,244,682
..	Library Acquisitions	84,495
<hr/> 23,440,966	Total Funds Disbursed	<hr/> 30,939,469
<hr/> 240,064	Surplus	<hr/>
	Result for Year	Deficit
		<hr/> 149,311

FORESTS COMMISSION.

The expenditure of the Department from the Consolidated Fund for the year was \$14,844,110 against which there were receipts of \$7,198,677, resulting in a net outgoing of \$7,645,433 compared with \$7,063,218 for the previous year. Details of expenditure and receipts for the two years are :—

<i>Expenditure.</i>						1970-71.	1971-72.
						\$	\$
Special Appropriation—							
Salaries and Pensions	..	..	..	..	..	267,589	276,869
Grants to the Forestry Fund	..	..	..	..	..	2,773,062	3,052,084
Debt Charges	..	..	..	..	..	2,682,040	2,988,320
						5,722,691	6,317,273
Vote—							
Salaries and Payments in the nature of Salary	..	..	..	..	..	3,172,462	3,563,674
Pay-roll Tax	..	..	..	..	..	78,617	115,663
School of Forestry	..	..	..	..	..	53,385	58,810
Other Administrative Expenses	..	..	..	..	..	157,568	158,535
Utilization of Forest Produce	..	..	..	..	..	718,439	884,965
Contribution to the National Sirex Fund	..	..	..	..	..	22,500	25,000
Contribution—Timber Promotion Committee	..	..	..	..	..	72,725	72,500
Sundry	..	..	..	..	..	25,535	25,690
						4,301,231	4,904,837
Works and Services Account—							
Plantations	..	..	..	..	..	2,067,504	2,133,951
Extraction Roads	..	..	..	..	..	433,921	418,885
Fire Protection	..	..	..	..	..	426,597	387,773
General Operations, &c.	..	..	..	..	..	565,811	638,454
Advances—Farm Forestry	..	..	..	..	..	22,163	42,937
						3,515,996	3,622,000
Total Expenditure	..	..	..	..	..	13,539,918	14,844,110
 <i>Receipts.</i>							
Rents, &c.	..	..	..	..	..	155,169	159,341
Royalties	..	..	..	..	..	5,390,954	5,944,827
Sale of Forest Produce	..	..	..	..	..	763,203	912,804
Loan Repayments	..	..	..	..	..	22,387	22,704
Other	..	..	..	..	..	144,987	159,001
						6,476,700	7,198,677
Total Receipts	..	..	..	..	..	6,476,700	7,198,677
Net Outgoing	..	..	..	..	..	7,063,218	7,645,433

The figure shown for School of Forestry for 1971-72 is the net expenditure after taking into account a credit of \$30,800 representing contributions received from the Commonwealth towards recurrent expenditure of the School pursuant to the Commonwealth's States Grants (Advanced Education) Acts.

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. Total expenditure by the State to 30th June, 1971, under this first five year Agreement amounted to \$5,945,495. Advances received from the Commonwealth to 30th June, 1972, pursuant to the Agreement have aggregated \$2,095,000. The term of operation of this Agreement has expired. Discussions with the Commonwealth have been undertaken with a view to entering into a new Agreement, retrospective to 1st July, 1971.

TRUST ACCOUNTS.

Forestry Fund.

The following statement sets out in summary form the transactions of the Forestry Fund for the past two years :—

	1970-71.	1971-72.
	\$	\$
Balance 1st July	108,485	103,841
Grants from the Consolidated Fund	2,773,062	3,052,084
Fines	61	..
	2,881,608	3,155,925
 Expenditure—		
Forest Protection	491,932	492,950
Silvicultural Works	28,500	30,007
Road Works	387,583	336,831
Plantations and Nurseries	108,500	126,229
Maintenance of Buildings	45,601	68,283
Purchase and Maintenance Motor Vehicles and Equipment..	565,796	577,179
Utilization	146,659	146,454
Supervision	361,636	398,345
Operating and Other Expenses	593,835	748,314
Contribution—Timber Promotion Committee	47,725	47,500
	2,777,767	2,972,092
Balance 30th June	103,841	183,833

The overall increase of \$194,325 in expenditure from the Forestry Fund for the year was the net result of various increases and decreases in the component items, the main variations being increases in Supervision and Operating and Other Expenses, and a decrease in expenditure on Road Works.

Commonwealth—State Sirex Trust Account.

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, 1972, Victoria contributed as its share the sum of \$376,930. From the Fund, Victoria received, to 30th June, 1972, a total of \$2,139,100 to finance the expenditure incurred by the State in its efforts to control and eradicate the sirex wasp.

Expenditure charged to the Account to 30th June, 1972, amounted to \$2,134,312 and the balance remaining in the Account was \$4,788.

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 on 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 in respect of plant and machinery ; 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, 1972, was \$200,540.

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, &c., 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, 1971	452,403
Plant Hire—Renewals and Replacements Component	292,489
Sale of Plant	14,196
	<hr/>
	759,088
Less Expenditure on Renewals	195,654
	<hr/>
Balance 30th June, 1972	563,434
	<hr/>

Forest Equipment Hire Account.

This Account facilitates accounting when the Forests Commission carries out work for other government departments, public authorities and private individuals.

Credits to the Account during the year amounted to \$110,611 and expenditure charged totalled \$124,728. At the close of the year, the balance at credit of the Account was \$7,350.

Timber Promotion Committee Trust Account.

Amounts paid into the Account included appropriations from the Consolidated Fund of \$72,500 and a contribution from the Forestry Fund of \$47,500. Expenditure in 1971–72 amounted to \$117,144, and at 30th June, 1972, the balance in the Account was \$111,053.

Reference was made in previous Reports to certain questions raised in a Crown Solicitor's Opinion as to the validity of parts of the *Forests (Part V.—Timber Promotion) Regulations* 1969 and as to the powers which the Regulations purport to confer on the Committee. This matter has still to be settled.

GOVERNMENT PRINTER.

Income from printing, sales of publications, &c., for the year amounted to \$3,820,538 compared with \$3,724,353 in 1970-71.

Most of the work for the State is for the purpose of meeting the requirements of Departments, and charges for these services are met from departmental votes. The statement below shows a loss of \$4,377 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.

	1970-71.	1971-72.
	\$	\$
<i>Item.</i>		
Materials	1,028,069	1,125,229
Salaries and Wages (including Pay-roll Tax)	2,017,092	2,150,895
Insurance—Workers Compensation	11,685	9,427
Insurance—Fire	2,822	2,822
Power, Fuel and Light	44,328	37,615
Repairs to Buildings and Plant	25,060	30,382
Sundry Charges	54,200	52,539
Postage and Incidentals	68,973	80,709
Depreciation on Plant and Machinery	79,557	68,348
Work—Other than by Government Printer	286,822	254,208
Management Consultant's Fees	12,741	12,741
	<u>3,631,349</u>	<u>3,824,915</u>
Profit	93,004	..
Loss .. .. .	..	4,377
Turnover	<u>3,724,353</u>	<u>3,820,538</u>

The total cost of plant and machinery met from loan funds to 30th June, 1972, was \$1,463,994. 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 appropriations to the Depreciation Fund were made up to the financial year 1957-58. Since then, no further contributions have been made to the Fund. No expenditure took place in 1971-72, and the balance in the Fund at 30th June, 1972, remained at \$237,470.

HEALTH.

Total expenditure from the Consolidated Fund upon health services for the year ended 30th June, 1972, excluding that of the Mental Hygiene Branch and the contributions to the Hospitals and Charities Fund, which are discussed later, was :—

	\$	\$
Special Appropriation—		
Salary of Director of Tuberculosis	18,333	
Pensions*	1,018,440	
	<hr/>	1,036,773
Vote—		
Health—Salaries, General Expenses, &c.	18,461,063	
Treasury—Workers Compensation Insurance, Payroll Tax	130,699	
Public Works—Maintenance, Rents, &c.	105,982	
	<hr/>	18,697,744
Works and Services Account—Capital Items, &c. .. .. .	..	1,435,719
		<hr/>
		21,170,236

Receipts (excluding those of the Mental Hygiene Branch) totalled \$4,092,537, so that the net cost of health services to the Consolidated Fund was \$17,077,699, an increase of \$2,258,596 compared with the previous year.

For the purpose of this Report, departmental finances are dealt with under the four branch headings, General Health, Tuberculosis, Maternal and Child Welfare and Mental Hygiene. Central administrative costs are included under General Health Branch.

Departmental analyses have been used in the preparation of the following statements which have been reconciled in total with the Treasurer's Accounts.

General Health Branch.

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

Expenditure for the past two years is shown in the following table :—

	1970-71. \$	1971-72. \$
Special Appropriation and Vote—		
Central Administration (including pensions*)	1,233,036	1,452,880
Cancer Institute—Maintenance, &c.	2,773,200	3,228,000
Infectious Diseases	367,065	408,403
Venereal Diseases	107,149	121,806
Inspection of Buildings, Food Supervision, &c.	1,062,061	1,161,966
Miscellaneous Grants	795,087	895,253
Subsidies—Home Help Scheme, Clubs for Elderly People, &c.	1,114,056	1,176,803
Works and Services Account—		
Cancer Institute	111,587	401,432
Bush Nursing Hospitals	320,000	284,119
Elderly Citizens Clubs	120,000	54,736
Other	41,407	74,551
	<hr/>	<hr/>
	8,044,648	9,259,949

Receipts in the same period were :—

Rentals—Lincoln House	98,000	98,132
Registration and other Fees	129,148	234,779
Commonwealth Grants—Home Help .. .. .	..	137,000
Elderly Citizens' Clubs .. .. .	..	11,184
Other Receipts	24,001	25,969
	<hr/>	<hr/>
	251,149	507,064
	<hr/>	<hr/>
The net cost to the Consolidated Fund was	7,793,499	8,752,885

* Includes Mental Hygiene Pensions.

Tuberculosis Branch.

Expenditure of this Branch over the past two years was :—

	1970-71.	1971-72.
	\$	\$
Special Appropriation and Vote—		
Operation of sanatoria, tuberculosis wards, bureaux, mass X-ray services, &c. 	3,597,449	3,793,392
Works and Services Account—		
State sanatoria and clinics, &c. 	305,358	204,975
	3,902,807	3,998,367
Receipts for the same period are compared thus :—		
Commonwealth recoup under <i>Health Act</i> 1958—Maintenance ..	3,019,795	3,143,090
Capital ..	274,073	264,614
Other 	109,589	164,222
	3,403,457	3,571,926
The net cost to the Consolidated Fund was 	499,350	426,441

Progress payments to 30th June received from the Commonwealth to recoup 1971-72 maintenance and capital expenditure amounted to \$3,055,843. Reimbursement of the balance outstanding at 30th June, 1972, \$180,332, is in course.

Maternal and Child Welfare Branch.

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

Expenditure from the Consolidated Fund for the last two years was as follows :—

	1970-71.	1971-72.
	\$	\$
Vote—		
School Medical and Dental Services, &c. 	2,086,360	2,317,317
Subsidies—infant welfare centres, kindergartens, pre-school centres, creches, &c. 	4,055,194	5,178,697
Works and Services Account—		
Subsidies—capital expenditure on pre-school centres, &c. ..	360,057	406,000
Other 	45,709	9,906
	6,547,320	7,911,920
Receipts for the corresponding periods were 	21,066	13,547
The net cost to the Consolidated Fund was 	6,526,254	7,898,373

Mental Hygiene Branch.

Gross expenditure by this Branch from the Consolidated Fund was \$36,773,231, and after taking into consideration receipts of \$4,915,568, the net cost of mental health services was \$31,857,663, as compared with \$26,842,213 in the previous year.

The gross expenditure comprised charges to :—

Vote—	\$	\$
Health—Salaries and Payments in the nature of Salary ..	26,836,644	
General Expenses	5,673,602	
Child Endowment Transfer	116,664	
	32,626,910	
Treasury—Workers Compensation Insurance .. .. .	..	175,684
Public Works—Maintenance and Rents .. .. .	..	44,631
Works and Services Account .. .. .	..	3,926,006
		36,773,231

Receipts credited to the Branch in the same period were :—

	1970-71.	1971-72.
	\$	\$
Maintenance of patients—principally Commonwealth payments on account of pensioners in Training Centres and repatriation patients	3,236,361	3,428,371
Commonwealth Contribution—Buildings and equipment for State institutions and grants for capital works to other institutions ..	797,545	827,695
Deduction from Salaries for Accommodation and Meals ..	259,648	289,189
Sales of Meal Tickets	72,831	81,683
Commonwealth Pharmaceutical Benefits	274,456	222,281
Sales of Produce	8,407	23,456
Other	45,569	42,893
	4,694,817	4,915,568
Net Cost to the Consolidated Fund was	26,842,213	31,857,663

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

Vote—	Item.	1970-71.	1971-72.
		\$	\$
Salaries		19,194,256	23,598,641
Overtime and penalty rates		2,794,186	2,979,938
Payments in lieu of long service leave		277,565	258,065
		22,266,007	26,836,644
Provisions and extra articles		2,139,904	2,297,569
Clothing, bedding, &c.		473,412	447,671
Stores, &c.		501,599	540,369
Fuel, light and water		899,997	982,944
Drugs and medicines		594,976	600,554
Repairs, maintenance and rents		44,086	44,631
Boarded-out patients		225,000	275,000
Other		683,224	705,179
Transfer to Intellectually Handicapped Children's Amenities Account ..		96,057	116,664
		27,924,262	32,847,225
Works and Services Account—			
Buildings and equipment of State institutions		3,485,593	3,339,965
Grants for Capital Works—Other institutions		127,175	586,041
		31,537,030	36,773,231
Total		31,537,030	36,773,231

In connexion with expenditure from the Works and Services Account 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 1970* provides that the Commonwealth will pay to the State a sum equal to one-third of the amount expended by the State during the period 1st July, 1970, to 30th June, 1973, on projects approved in terms of the Act. In 1971-72, under these provisions, the State received \$827,695 as part recoup of the sums expended during the year.

In addition to the expenditure as set out above, moneys were provided from the Mental Hospitals Fund for the purposes shown hereunder :—

	\$
University of Melbourne—Mental Health Research	14,000
Other Institutions—Grants for maintenance	1,351,000
	<hr/>
	1,365,000
	<hr/>

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. Also, 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 \$90,089,887 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	18,415,255
Special Appropriation, Act No. 6390—Tattersall Receipts	5,424,503
Annual Appropriation, Division 72	62,450,000
Deductions from Premiums—Motor Car Third Party Insurance	2,138,405
	90,028,163
Balance forward from 1970-71	61,724
	90,089,887

Particulars of expenditure for 1970-71 and 1971-72 are shown in the following statement:—

	1970-71.	1971-72.
	\$	\$
Maintenance—		
Hospitals	66,861,431	78,431,216
Benevolent Homes and Hospitals for the Aged	4,894,183	5,905,133
Children's Homes	678,380	6,543
Foundling Homes and Refuges	342,292	309,502
Philanthropic Organizations	499,272	589,361
District Nursing Societies	413,302	552,000
Medical Dispensaries	65,824	96,421
Ambulance Services	1,295,000	1,620,000
Hostels for the Aged	186,788	203,052
Training Schools (Nursing, &c.)	650,540	749,850
Other Institutions	328,177	354,441
Public Risk Insurance	150,837	156,084
Hospitals Superannuation Board	69,385	98,057
	76,435,411	89,071,660
Less Refund from Commonwealth Blood Transfusion Service	251,290	268,545
	76,184,121	88,803,115
Other—		
Costs Associated with Totalizator Receipts	72,097	80,065
Training of Officers	43,631	45,852
Recruitment and Training of Nurses	73,009	73,255
Post-graduate Training of Nurses	43,294	50,885
Administration Costs	717,591	875,318
	77,133,743	89,928,490

The balance in the Fund at 30th June, 1972, was \$161,397.

Details of payments from the Fund to individual institutions are given on pages 85 to 87 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 from the Works and Services Account 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 \$14,359,547. Details of payments from the Works and Services Account to individual institutions are shown in the Treasurer's Finance Statement, pages 120 to 122.

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 Consumer Affairs Council are also administered within the Department.

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

Vote—	1970-71.	1971-72.
	\$	\$
Labour and Industry—Salaries, General Expenses, &c. ..	1,818,834	1,938,938
Treasurer—Workers Compensation Insurance, Pay-roll Tax ..	46,874	66,671
Public Works—Maintenance and Rent of Buildings ..	57,232	61,167
	1,922,940	2,066,776

Receipts during the corresponding two years were as follows :—

Registration and Inspection Fees—	\$	\$
Factories and Shops, Lifts and Cranes, Boilers, &c.	1,170,364	1,276,093
Other	21,541	17,306
	1,191,905	1,293,399
Net Cost to the Consolidated Fund was	731,035	773,377

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 functions include the eradication of vermin and noxious weeds and the control and co-ordination of survey and mapping throughout the State. The collections and expenditure of the Department are reviewed hereunder.

COLLECTIONS.

Collections during the year amounted to \$4,179,887 compared with \$3,869,502 in the previous year. Details are as set out hereunder :—

	1970-71.	1971-72.
	\$	\$
Land Revenue—		
Fees for various licences and leases, &c.	2,169,900	2,438,201
Proceeds of sales of land	550,967	526,638
	<u>2,720,867</u>	<u>2,964,839</u>
Land Revenue for credit to the Mallee Land Account	78,825	94,597
Repayments of principal by settlers under the Closer Settlement Acts ..	114,608	107,856
Interest payments by settlers on Loan Liabilities under the Closer Settlement Acts	74,944	75,884
Repayments of principal—Other Advances	2,654	4,817
Interest on Other Advances	746	439
Licences to occupy water frontages—for credit to the Rivers and Streams Fund	98,450	99,614
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	481,349	436,131
Miscellaneous Receipts including rental Ballarat Guncotton Factory, admission to Buchan Caves, sales of government and other property and rentals of departmental houses, &c.	145,525	178,779
Survey Fees, &c.	45,073	55,373
Premiums for credit to the Closer Settlement Insurance Fund	16,966	17,754
Moneys for specific purposes including funds made available by Wool and Wheat Research Committees, &c., for credit to Treasury Trust Accounts	62,212	119,212
Collections on account of North West Mallee Water Rates and Wire Netting Cash Sales	16,205	16,040
Road Loading Charges—Improvement Purchase Leases	9,075	6,010
Receipts on account of Assurance Fund	2,003	2,542
	<u>3,869,502</u>	<u>4,179,887</u>

EXPENDITURE FROM THE CONSOLIDATED FUND.

The amount provided from the Consolidated Fund to meet departmental administrative costs and expenses and part of the functional expenditure of the Vermin and Noxious Weeds Branch was \$7,211,241 compared with \$7,495,060 in the previous year. Details are :—

	1970-71.	1971-72.
	\$	\$
Vote—		
Lands and Survey—Salaries, Expenses, Other Services ..	4,646,902	5,274,714
Treasurer—Workers Compensation Insurance, Payroll Tax ..	180,386	256,628
Public Works—Maintenance and Rent of Buildings ..	12,891	13,676
Works and Services Account—		
Vermin and Noxious Weeds, Surveys, &c.	2,654,881	1,666,223
	<u>7,495,060</u>	<u>7,211,241</u>

TRUST FUND EXPENDITURE.

Disbursements by the Department from Treasury Trust Funds included :—

- (i) \$72,700 from joint Commonwealth—Industry Research Funds, namely, Vermin (Rabbit) Control \$38,082, Skeleton Weed Control \$11,210 and Fox and Dingo Control \$23,408.
- (ii) \$11,148 in meeting claims and administrative expenses on account of the Closer Settlement Insurance Fund.
- (iii) \$204,930, expenditure from Commonwealth Grant Rural Employment (1971) Trust Account.

CLOSER SETTLEMENT.

The Revenue Account for the year under the *Closer Settlement Act* 1938 disclosed a deficit of \$2,076,116 and the accumulated deficit on account of the settlement scheme, the subject of the provisions of that Act, was, as a result, increased to \$127,519,277.

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. The balance in the Fund as at 1st July, 1971, was \$697,014. Premiums received during the year amounted to \$17,755. Claims paid were \$3,981 and Administration Expenses \$7,167, leaving a balance in the Fund as at 30th June, 1972, of \$703,621.

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 FROM THE CONSOLIDATED FUND.

Expenditure on the several activities of the Department for 1971-72 amounted to \$13,557,750. 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 :—

	1970-71.		1971-72.	
	\$	\$	\$	\$
Crown Law Offices and Crown Solicitor's Office ..		1,570,098		1,827,255
Courts—				
Administration	4,778,014		5,718,827	
Allowances to Witnesses	159,972		185,809	
Payments to Jurors	524,975		614,927	
Professional Assistance	212,998		249,081	
Court Reporting	292,999		338,756	
Other Costs, including expenditure of a capital nature	960,312		873,574	
		<u>6,929,270</u>		<u>7,981,974</u>
Office of the Public Trustee		833,557		960,366
Titles Office		1,972,108		2,214,742
Companies Registration Office		452,568		573,413
		<u>11,757,601</u>		<u>13,557,750</u>

RECEIPTS.

Moneys collected by Clerks of Courts throughout the State are paid into the Consolidated Fund 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 1970-71 and 1971-72, with the exception of fees and commissions collected in the Office of the Public Trustee, were :—

	1970-71.	1971-72.
	\$	\$
Fees, Titles Office	2,927,721	3,528,822
Fees, Registrar of Companies	2,442,597	2,667,443
Fees, Registrar-General	212,008	251,296

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

LOCAL GOVERNMENT.

This Department was constituted under the provisions of the *Local Government Department Act 1958* for the better administration of the laws relating to local government in this State.

EXPENDITURE FROM THE CONSOLIDATED FUND.

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

	1970-71.	1971-72.
	\$	\$
Local Government—		
Salaries and Allowances	340,139	414,371
Overtime and Penalty Rates	10,966	13,213
Travelling (including Motor Vehicles)	25,347	24,594
Fees and Expenses—Boards and Committees	85,985	84,662
Other Administrative Expenses	54,583	40,539
Works and Services Account—Subsidies to Municipalities, &c.	1,743,561	1,834,390
Total Local Government	2,260,581	2,411,769
Town and Country Planning Board—		
Salaries and Allowances	289,443	345,190
Other Administrative Expenses	49,355	57,013
Total Town and Country Planning Board	338,798	402,203
Weights and Measures—		
Salaries and Allowances	221,812	252,826
Overtime and Penalty Rates	926	642
Travelling (including Motor Vehicles)	42,164	48,535
Materials and Equipment	4,352	2,972
Other Administrative Expenses	14,316	17,374
Works and Services Account—Equipment, &c.	3,489	32,898
Total Weights and Measures	287,059	355,247
Valuer-General—		
Salaries and Allowances	476,783	533,823
Overtime and Penalty Rates	546	782
Travelling (including Motor Vehicles)	43,037	50,137
Fees and Expenses—Boards and Committees	1,188	1,148
Other Administrative Expenses	34,442	42,308
Total Valuer-General	555,996	628,198
Total Local Government Department	3,442,434	3,797,417

RECEIPTS.

Receipts for the year amounted to \$207,683 compared with \$201,077 in the previous year. Details are shown in the following statement :—

	1970-71.	1971-72.
	\$	\$
Charges for Departmental Services—		
Municipal Auditors Board Fees, &c.	9,998	6,122
Weights and Measures Branch	123,234	134,931
	133,232	141,053
Sale of Property Sales Information	67,154	59,042
Miscellaneous	691	7,588
	201,077	207,683

MILK BOARD.

This Board functions under the authority of the *Milk Board Act 1958* and is responsible for administering the supply, sale and distribution of milk in the proclaimed milk districts of the State.

The Board's operations in 1971-72 resulted in a revenue surplus of \$486,955, an increase of \$351,479 on the comparable figure for 1970-71. The substantial rise in revenue surplus in the current year is mainly due to the operation for a full twelve months of the new milk prices effective from 21st April, 1971. Under the new price structure, the Board's margin on milk sales was increased from .77 cents to 1.25 cents per gallon.

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 1971-72 are subject to audit.

1970-71. \$							1971-72. \$ \$	
	<i>Revenue.</i>							
776,739	Milk Trading Revenue	..	..	..	..	..	1,153,865	
39,221	Milk Shop Licence Fees	..	..	..	..	..	40,512	
8,000	Rentals	..	..	..	..	..	8,000	
<u>823,960</u>							<u>1,202,377</u>	
	<i>Expenditure.</i>							
257,619	Salaries	..	..	..	..	..	275,881	
5,390	Pay-roll Tax	..	..	..	..	..	8,040	
1,622	Rental of Premises	..	..	..	..	..	1,720	
16,659	Travelling Expenses	..	..	..	..	..	10,985	
37,208	General Expenses	..	..	..	..	..	24,955	
351,794	Publicity Account—Appropriation	..	..	..	..	..	375,000	
6,000	Improving Quality of Milk—Paid to Department of Agriculture	..	..	..	..	..	6,000	
8,154	Building Maintenance	..	..	..	..	..	10,178	
140	Interest	..	..	..	..	..	139	
3,898	Depreciation	..	..	..	..	..	2,524	
<u>688,484</u>							<u>715,422</u>	
135,476	Surplus for the Year	..	..	..	..	..	<u>486,955</u>	

The item—Publicity Account—Appropriation, \$375,000—is the provision from revenue to meet publicity costs incurred in promoting the consumption of milk. Expenditure for publicity purposes charged to the Account in the year amounted to \$290,358.

The Board's balances as at 30th June, 1971, and 30th June, 1972, were :—

30.6.71. \$							30.6.72. \$ \$	
3,460,177	Sundry Creditors—Trade	..	..	..	..	..	3,481,205	
37,018	Sundry Creditors—Other	..	..	..	..	..	22,558	
21,531	Milk Shop Licences Paid in Advance (Net)	..	..	..	..	..	22,099	
<u>3,518,726</u>							<u>3,525,862</u>	
	Accumulated Funds—							
	Accumulation Fund—							
1,601,299	Balance Brought Forward	..	..	..	..	..	1,736,775	
135,476	Revenue Surplus for the Year	..	..	..	..	..	486,955	
<u>1,736,775</u>							<u>2,223,730</u>	
392,790	Publicity Account	..	..	..	..	..	477,432	
<u>2,129,565</u>							<u>2,701,162</u>	
<u>5,648,291</u>							<u>6,227,024</u>	
1,365,770	Milk Board Fund—Balance at Treasury	..	..	..	..	..	2,166,386	
3,822,126	Sundry Debtors—Trade	..	..	..	..	..	3,597,085	
10,243	Office Equipment, Furniture and Fittings <i>less</i> Depreciation	..	..	..	..	..	11,113	
27,078	Motor Vehicles <i>less</i> Depreciation	..	..	..	..	..	44,613	
349,017	Land and Buildings at Cost	..	..	..	..	..	346,315	
73,677	Publicity Plant and Equipment <i>less</i> Depreciation	..	..	..	..	..	60,884	
380	Publishing Stocks on Hand	..	..	..	..	..	628	
<u>5,648,291</u>							<u>6,227,024</u>	

Trade debtors and creditors, for the most part, resulted from trading operations for the month of June, 1972.

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.

RECEIPTS.

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

	1970-71.	1971-72.
	\$	\$
Land Revenue—		
Royalties—Submerged Lands	16,528,845	23,710,736
Mining Leases, Rents, &c.	209,184	208,117
Extractive Industries, &c.	134,561	145,646
Other	22,238	27,885
	<u>16,894,828</u>	<u>24,092,384</u>
Boring and Crushing Fees	48,371	44,255
Explosives Licences and Fees	43,708	49,907
Sale of Government Property	20,100	15,909
Repayment of Loans	13,825	3,514
Sundries	9,149	10,929
Total Receipts	<u>17,029,981</u>	<u>24,216,898</u>

The *Petroleum (Submerged Lands) Act 1967* provides for the exploration and exploitation of the petroleum resources of certain submerged lands adjacent to the coasts of the State.

The Act provides that royalty is payable at certain percentages of the value at the well-head of the oil and gas recovered. The State has been negotiating with the two producing companies in an endeavour to arrive at agreement as to what is the value at the well-head of the oil and gas recovered, but agreement has not yet been reached. In the meantime, the State has been receiving royalties on the basis of a temporary agreement, with provision for later adjustment, if necessary.

Royalties received by the State during 1971-72 in respect of oil and gas recovered amounted to \$23,710,736. Of the royalties payable to the State, a certain proportion, based on a formula set out in the Act, is required to be paid to the Commonwealth. During 1971-72, the sum of \$7,548,183 was so paid.

EXPENDITURE FROM THE CONSOLIDATED FUND.

	1970-71.	1971-72.
	\$	\$
Special Appropriation—		
Payments to Commonwealth	5,015,982	7,548,183
Vote—		
Administration—		
Salaries	1,028,752	1,195,366
Overtime and Penalty Rates	3,919	4,197
Travelling and Subsistence	33,897	38,748
Motor Vehicles—Purchase and Running Expenses	35,070	39,463
Other Administrative Expenses	86,710	117,732
	<u>1,188,348</u>	<u>1,395,506</u>
Miscellaneous—		
Maintenance, &c., State Batteries	3,419	3,496
Boring for Water, Coal and other Minerals, &c.	328,829	337,284
Geological Survey	17,115	17,480
Laboratory Expenses	5,632	5,732
Covering Abandoned Shafts	14,030	14,049
Surveys for Mineral Deposits	25,183	25,626
Advances for Gold Mining .. .. .	..	10,000
Contribution to Coal Utilization Research	10,000	10,000
	<u>399,198</u>	<u>403,667</u>
Works and Services Account—		
Drilling Plant, &c.	281,709	303,851
Total Expenditure	<u>6,890,247</u>	<u>9,671,207</u>

Included in the departmental payments in 1971-72 is expenditure, estimated by the Department to be \$964,002, 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 1970*.

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 THE CONSOLIDATED FUND.

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

	1970-71.	1971-72.
	\$	\$
Public Works Administration—		
Vote—		
Salaries	4,698,548	5,249,839
Overtime and Penalty Rates	77,869	107,046
Travelling and Subsistence	222,000	251,432
Other Expenses	477,316	530,912
Total Administration	<u>5,475,733</u>	<u>6,139,229</u>
Works and Buildings, Maintenance, Repairs, &c.	1,429,486	1,577,632
Rents and Allowances	1,113,196	1,278,035
Other Services	980,603	1,046,541
	<u>8,999,018</u>	<u>10,041,437</u>
Works and Services Account—Buildings, &c.	5,309,886	4,385,774
	<u>14,308,904</u>	<u>14,427,211</u>
Ports and Harbors Administration—		
Vote—		
Salaries	479,287	575,929
Overtime and Penalty Rates	15,912	19,029
Travelling and Subsistence	42,511	42,922
Other Administrative Expenses	34,212	24,752
Total Administration	<u>571,922</u>	<u>662,632</u>
Wharves and Jetties, Maintenance, Repairs, &c.	106,458	106,443
Contribution to Portland Harbor Trust	691,880	580,000
Westernport—Operating Expenses	627,279	848,835
Other Services	128,999	173,299
	<u>2,126,538</u>	<u>2,371,209</u>
Works and Services Account—Capital Items	4,570,803	3,976,890
	<u>6,697,341</u>	<u>6,348,099</u>
Total Expenditure	<u>21,006,245</u>	<u>20,775,310</u>

Works financed from the Works and Services Account 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 12·45 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 the Consolidated Fund on the basis of these and other charges amounted to \$6,106,754. The comparable figure for 1970-71 was \$5,578,563 when the rate charged for design, supervision and administration was 12·15 per cent.

Expenditure by the Department from the Works and Services Account amounted to \$57,325,979, and from Trust and Special Funds \$10,057,925, a total of \$67,383,904, compared with a total of \$65,706,796 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 provision of services for various Departments.

Moneys which were applied from the Works and Services Account to works associated with the activities of the Public Works Department itself were as shown hereunder:—

	\$	\$
<i>Public Works—</i>		
Public Offices		4,385,774
<i>Ports and Harbors—</i>		
Public Offices	31,801	
Foreshore Protection, Wharves and Jetties.. .. .	936,901	
Dredging, Blasting and Navigational Aids	1,355,427	
Vessels for Dredging	107,685	
Westernport Works, &c.	1,400,549	
Plant	144,527	
	<hr/>	3,976,890
		<hr/>
		8,362,664
		<hr/>

Public Offices (\$4,385,774).—Major items of expenditure were:—

	\$
<i>State Offices Complex—Treasury Reserve—</i>	
Construction and associated expenditure, including furniture	607,100
Adaptation of premises—231 Queen-street	298,760
Remodelling of Building—436 Lonsdale-street	665,162
Purchase and Adaptation of premises—232 Victoria-parade	377,083

Westernport—Works &c. (\$1,400,549).—In terms of the *Westernport Development Acts* 1967 and 1970, Hematite Petroleum Pty. Ltd. and Esso Exploration and Production Australia, Inc. were to carry out preliminary investigations, jetty construction and dredging at Westernport at the cost of the State not exceeding \$6,050,000. An amount of \$67,788 was expended on jetty construction for this project during 1971–72, bringing the total expenditure on the project, at 30th June, 1972, to \$5,405,985.

Other items of Westernport expenditure were:—

	\$
Dredging and land reclamation in terms of the <i>Western Port (Steel Works) Act</i> 1970	1,264,065
Reconstruction of Berthing Dolphin	4,278
Pollution Studies	315
Long Island Jetty—Repairs to Fenders	1,216
Harbor Facilities and Sea Bed Investigation	62,887
	<hr/>
	1,332,761
	<hr/>

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	1,244,469
(ii) Advanced Education	30,132
(iii) Science Laboratories and Equipment	1,750,689
(iv) Teachers' Colleges	2,323,440
(v) Secondary School Libraries	2,095,713
	<hr/>
	7,444,443
	<hr/>

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

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, 1972, the position of this Account was :—

	\$
Cash funds available—held by Treasury	322,849
Value of stores on hand	274,307
Issues pending recoupment	50,676
Funds made available by Treasury	647,832
Amount retained by Treasury to meet expenses, &c.	2,168
Amount authorized by Legislation	650,000

Public Works Plant and Machinery Fund.

This Fund was established under the provisions of Loan Act No. 5199 of 1946. The charges made for the use of certain specified plant and machinery, as authorized by Act No. 5199, are debited to projects on which such plant is used and credited to the Fund.

The Fund is kept in two sections, namely, Renewals and Replacements, and Cost of Operating, Maintenance, &c., to each of which an appropriate allocation of the hire charges is made. At 30th June, 1972, the net balance of the Fund was \$623,128.

Agency Trust Funds.

Expenditure on projects from this source amounted to \$664,118. Major works carried out by the Department as agent included projects for :—

	\$
Werribee Research Station	58,208
High School Assembly Halls	215,113
Technical School Assembly Halls	50,741

RAILWAYS.

In the year under review, railway operating expenses exceeded railway income by \$36,484,889.

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 the Consolidated Fund. 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 1971-72 was borne by the Consolidated Fund.

RECEIPTS AND EXPENDITURE.

Railway operations for the year, as recorded in the Treasurer's Accounts, are set out in Statement No. 5 appended to this Report and, for the purpose of ready reference, revenue receipts and expenditure are summarized hereunder :—

	\$	\$
Working Expenses .. .. .	..	131,966,941
Contribution to Renewals and Replacements Fund .. .. .	..	400,000
Pension Contributions .. .. .	..	6,532,674
Debt Charges .. .. .	..	9,551,879
Total Expenditure .. .. .	..	<u>148,451,494</u>
This was provided by—		
Ordinary Income .. .. .	..	110,396,153
Payments by Treasury—		
For country freight charge concessions	286,000	
For fares concessions to pensioners	1,250,000	
For loss on Kerang-Koondrook line	34,452	
	<u>1,570,452</u>	
Total Receipts .. .. .	..	<u>111,966,605</u>
Deficit for year ... .. .	..	<u>36,484,889</u>

Railway records show a deficit of \$35,660,551. 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 on a cash basis. The differing net financial results for the year, as recorded in the two accounting systems, are reconciled in the following statement :—

	\$
Deficit, based on Treasury Accounts	36,484,889
<i>Less</i> —Increase during year in Sundry Debtors	824,338
Deficit, as shown in Railway Accounts	<u>35,660,551</u>

Railway operating expenses amounted to \$148,451,494. This sum was less than the Budget estimate of \$149,173,348 and, on a comparable basis, was in excess of the previous year by \$10,699,650.

Operating Expenses.

Depreciation.—The depreciation for 1971–72 was assessed at \$8,603,491 but an amount of \$476,903 only was charged to operating expenses and credited to the Railway Renewals and Replacements Fund established under Section 115 of the *Railways Act* 1958. The amount of \$8,126,588 depreciation assessed but not charged against operating expenses brought the accumulated sum under-provided in the Railways accounts to \$104,116,633 at 30th June, 1972.

The total amount credited in the year to the Railway Renewals and Replacements Fund from depreciation charges and sales of materials &c., \$1,223,373, was expended in full. There was no balance to the credit of this Fund at 30th June, 1972.

To 30th June, 1972, renewals and replacements to a total of \$128,211,678 have been provided from the Fund and from allocations of loan moneys for rehabilitation works.

Accrued Leave.—Accrued leave decreased by 10,735 days in 1971–72 and the estimated liability increased from \$5,358,891 as at 30th June, 1971 to \$6,004,605 as at 30th June, 1972. 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.

Management Consultants.

During 1971–72, management and business consultants were engaged by the Department to submit reports on matters which included marketing and selling activities, inventory management policies, and to review principles of asset evaluation and depreciation.

Fees and expenses amounting to \$21,794 were paid during the year and charged to Working Expenses.

Debt Charges.

The Railways Commissioners are charged with interest, sinking fund payments and exchange only in respect of moneys borrowed by the State for railway purposes from and including 1st July, 1960. The amount chargeable in the year was \$9,551,879.

Maintenance Works from Rural Employment Funds.

Expenditure of \$303,092 on maintenance works carried out as part of rural employment measures has not been included in the Receipts and Expenditure statement. This expenditure has been charged to the Commonwealth Grant Rural Employment 1971 Trust Account in the Treasury.

Railway Income.

Collections on account of railway income amounted to \$111,966,605 which was \$5,863,395 less than the Budget estimate and \$3,966,394 more than the result for 1970–71. Collections for 1971–72, when compared with those for the previous year, reflected the increased passenger fares and freight rates which were effective as from 29th August, 1971.

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

	1970–71.	1971–72.
	\$	\$
Passengers	32,248,752	35,693,556
Parcels, &c.	2,984,054	3,407,483
Mails	1,110,286	909,905
Miscellaneous	112,069	100,712
Goods and livestock, &c.	64,596,567	64,551,698
Rents and general miscellaneous	2,675,526	3,085,281
Dining car and refreshment rooms services	3,583,280	3,592,174
Advertising	250,677	258,841
Bookstalls	1,084,560	1,085,456
Road motor services	64,009	71,384
	<hr/>	<hr/>
	108,709,780	112,756,490

Treasury recoups of \$49,080 in 1970–71 and \$34,452 in 1971–72, received in accordance with the *Kerang and Koondrook Tramway Act* 1951, are not included in the above earnings.

EXPENDITURE—WORKS AND SERVICES ACCOUNT.

The following statement summarizes expenditure under Railway Works and Services Acts :—

	1970-71.	1971-72.
	\$	\$
Way and Works	9,338,380	8,747,915
Rolling-stock, Equipment, &c.	6,442,507	6,553,910
Construction of New Lines, &c.	107,907	142,409
	<hr/>	<hr/>
	15,888,794	15,444,234
	<hr/>	<hr/>

Rail Tracks and Rolling-stock.—Expenditure for 1971-72 included \$10,244,405 in connexion with projects to relay certain rail tracks and to provide additional tracks, and new suburban electric trains and goods wagons.

BALANCE-SHEET.

An abridged statement of the balances in the Railway Accounts as at 30th June, 1971 and 1972 is as under :—

	1971.	1972.
	\$	\$
Rolling-stock, Plant, &c., at cost less depreciation provided ..	483,204,750	499,651,865
Stores and Materials	7,782,009	7,724,235
Partly-manufactured Articles	781,457	860,253
Refreshment Services, Stock and Equipment less provision for losses	777,996	662,716
Discounts and Expenses on Loans	7,313,904	7,443,113
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	8,130,476	5,821,156
Railways Stores Suspense Account	2,764,648	3,482,148
Railways Repayment Account	3,544	10,259
Pay-roll Tax in Suspense Account.. .. .	1,857,467	..
Advances held by Agent-General—		
Capital Equipment	2,446	..
Stores .. .. .	..	8,543
Trust Securities	4,569,664	3,530,235
Cash at Stations and in Transit	466,442	478,864
Cash Advances	3,152,014	1,773,225
Revenue Debtors	5,682,529	6,645,810
Sundry Debtors	2,130,302	2,330,611
Accumulated Loss	222,055,697	258,019,340
	<hr/>	<hr/>
	751,925,345	799,692,373
	<hr/>	<hr/>
Loan Liability*	379,595,119	390,522,601
Funds for—		
Uniform Railway Gauge Works	30,633,462	30,537,624
Level Crossings	8,970,530	9,921,759
Boom Barriers	247,240	349,053
Other Special Purposes	13,722,240	13,722,240
National Debt Sinking Fund Reserve	66,556,445	71,139,291
Uniform Railway Gauge Reserve	966,538	1,062,376
Railway Accident and Fire Insurance Fund	200,000	200,000
Advances from the Public Account	3,083,898	1,428,598
Sundry Creditors	15,790,307	12,896,613
Outstanding Advance, Agent-General, Stores	2,615	..
Trust Securities	4,573,208	3,540,494
Consolidated Fund, &c.	227,583,743	264,371,724
	<hr/>	<hr/>
	751,925,345	799,692,373
	<hr/>	<hr/>

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

Railway Accident and Fire Insurance Fund.

The Fund was preserved at the statutory limit of \$200,000 by appropriation from the Consolidated Fund of \$1,935,966 charged against Working Expenses. Expenditure from the Fund for the past two years was :—

	1970-71.	1971-72.
	\$	\$
Damages recovered by non-employees at law	32,885	145,256
Damages paid to non-employees without legal action	43,377	13,280
Compensation for injuries to employees	918,070	1,069,207
Compensation for goods lost or damaged	370,725	339,554
Compensation for losses by fires caused by railway operations	52,484	152,489
Losses by fire to railway property	79,522	216,180
	<u>1,497,063</u>	<u>1,935,966</u>

Railway Charges in Suspense Account.

This Account 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, 1972, liabilities incurred and charged against Treasury accounts by journal entry, but not yet paid by the Department were as follows :—

Credits—		\$
Salaries and Wages accrued .. .. .	.. .. .	1,592,855
Taxation Deductions, &c. .. .. .	.. .. .	1,596,516
Sundry Creditors for various services .. .. .	.. .. .	2,841,384
Revenue rebates and refunds due .. .. .	.. .. .	1,204,877
Amounts received in advance for works .. .. .	.. .. .	436,480
		<u>7,672,112</u>
Debits—		\$
Expenditure on works for other bodies, &c. .. .. .	.. .. .	1,830,115
Sundry Debtors for sales and services .. .. .	.. .. .	262,919
		<u>2,093,034</u>
		5,579,078
Add—Amount to be transferred from income .. .. .	.. .. .	242,078
		<u>5,821,156</u>

Included in the above item of “expenditure on works for other bodies” is an amount of \$271,074 due by the Melbourne Underground Rail Loop Authority in respect of work being undertaken for the Authority by the Railways Department.

The Commissioners do not appear to have specific powers under the Railways Act to undertake work for the Authority or for other bodies.

Railways Stores Suspense Account.

This Account is designed to provide financial control over the purchase and issue of stores and over the stock on hand.

The total allocation from the Consolidated Fund for the purpose of the Account amounted to \$9,000,000 as at 30th June, 1972. The disposition of this amount was as follows :—

	\$	\$
Stock on hand—Railways Department	7,663,217	
Railway Construction Board	34,921	
	<u>7,698,138</u>	
Stores Stock Equalization Account		26,097
		<u>7,724,235</u>
Less Creditors		2,341,885
Stock		5,382,350
Stores sold and proceeds not collected		126,959
Advances to the Agent-General, London		8,543
		<u>5,517,852</u>
Balance held at Treasury		3,482,148
		<u>9,000,000</u>

The item, Stock on hand, \$7,724,235, should represent stock financed from the Suspense Account pending issues for works or purposes the expenditure on which is chargeable to Parliamentary Appropriation.

Of that amount of \$7,724,235, \$34,921 was held within the Account by the Railway Construction Board, this latter amount purporting to represent items held in store including tools, plant, motor vehicles, &c. However, certain of these items had in fact been used in connexion with works being undertaken by the Board for the Melbourne Underground Rail Loop Authority, although the necessary accounting entries to reflect the movements of these items had not been made in the Stores Suspense Account as at 30th June, 1972.

There do not appear to be specific powers under the Railways Act to use the Stores Suspense Account in this manner.

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" which had a balance of \$26,097, at 30th June, 1972. This Equalization 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 in this Account are not readily ascertainable but it has been possible to extract the following net figures from the Account :—

	\$
Losses on reduction of values of stores	4,059
Costing adjustments—manufactured items	17,480
Losses on sales of safety footwear	19,665
Sales of materials—profits	26,031
Amount charged to Working Expenses	15,173
Stores invoice adjustments to be absorbed	26,097

Debtors.—Revenue and Sundry.

The total of \$8,976,421 for these items as shown in the balance-sheet consists of :—

	\$
Revenue	6,645,810
Works	1,830,115
Sales of general stores	127,609
Sundry sales and services	262,919
Sales of land	109,968
	8,976,421

The items, "Revenue" and "Works", include a number of accounts which have been outstanding for several years.

Level Crossings Fund.

Moneys in the Fund are applied towards "works calculated to improve the flow of traffic across or to reduce the danger at level crossings". The relevant legislation—Section 115 of the *Country Roads Act 1958*—does not exempt the Commissioners "from any liability to pay for any 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 \$951,229 in the year 1971–72, was \$9,921,759 to 30th June, 1972. This latter amount is included in the balance-sheet as part of the total expenditure on Rolling-stock, &c.

Sundry Creditors.

Items included in the total of \$12,896,613 are :—

	\$
Stores purchased for railways	2,341,885
Stores purchased for refreshment services	127,901
Salaries and wages accrued	1,592,855
Taxation deductions, &c.	1,596,516
Accounts for various services	2,841,384
Revenue rebates and refunds	1,204,877
Payments in advance for works	436,480
Payments in advance for revenue services, &c.	772,291
Cash accounts overdrawn	1,982,424
	12,896,613

The item, "Salaries and wages accrued", largely comprises pay accrued from 25th to 30th June, 1972.

SOCIAL WELFARE.

The statement below shows the expenditure from the Consolidated Fund in respect of the Divisions of the Department for the past two years.

—	Administration, Research, Statistics.	Family Welfare.	Youth Welfare.	Prisons.	Training, Probation and Parole.
	\$	\$	\$	\$	\$
<i>Expenditure—1971-72</i>					
Vote	818,244	9,064,949	3,083,924	5,074,401	780,180
Works and Services Account	..	511,226	555,328	445,582	124,563
Total	818,244	9,576,175	3,639,252	5,519,983	904,743
<i>Expenditure—1970-71</i>	479,837	6,950,518	2,934,666	4,640,367	705,559

The revenue of the Department, \$698,319, varied little from the 1970-71 figure of \$690,549.

Expenditure of the Administration, Research and Statistics Division in 1971-72 exceeded that for 1970-71 by \$338,407. A new item, "Grants to persons, organizations or institutions rendering or proposing to render welfare services", \$249,977, was the main reason for the excess.

Increases totalling \$2,625,657 occurred in the Family Welfare Division, the most significant of which were :—

	\$
Salary and overtime costs	725,552
The State's proportion of assistance paid under the provisions of the Commonwealth's <i>States Grants (Deserted Wives) Act 1968</i>	689,674
The payment by the Division to children's homes of per capita maintenance grants which were previously paid through the Hospitals and Charities Commission ..	476,443
Other expenses and grants in connection with children's homes	681,614

A contribution of \$140,000 to the Youth Organizations Assistance Fund—previously paid through the Chief Secretary's Department—and increased salary and overtime costs of \$372,384 were the chief components of the increase of \$704,586 in expenditure of the Youth Welfare Division.

Increases of \$444,546 in salaries and \$183,044 in overtime were the most significant factors in the Prisons Division's extra expenditure of \$879,616 for 1971-72.

Motor Boating.

Under the provisions of the *Motor Boating Act* 1961, the net credit in the Tourist Fund in respect of motor boating activities is to be applied to the provision of facilities for motor boating in Victorian waters. The following statement shows the receipts and payments included in the transactions of the Tourist Fund in respect of motor boating :—

	\$	\$
Credit at 1st July, 1971 (held in Tourist Fund) .. .. .	..	176,918
<i>Add</i> —Registration Fees	305,138	
Fines	11,090	
	<u>316,228</u>	
<i>Less</i> —Refunds	184	
	<u> </u>	316,044
<i>Add</i> —Loan Instalments—Redemption	1,668	
Interest	2,542	
	<u> </u>	4,210
		<u>497,172</u>
<i>Less</i> —Expenditure—	\$	
Provision of boating facilities—Grants and Subsidies ..	101,255	
Cost of Administration—		
Transport Regulation Board	45,296	
Chief Secretary's Department	97,416	
Purchase of motor boats and equipment (net) ..	11,477	
	<u>154,189</u>	
	<u> </u>	255,444
Credit at 30th June, 1972 (held in Tourist Fund) .. .. .	..	<u>241,728</u>

Tourist Bureaux.

The power to operate and administer tourist bureaux in any part of the world as provided in the *Tourist Act* 1969 was continued in the *State Development Act* 1970. Under this authority, five bureaux are operated in Victoria and three in interstate capital cities.

The net cost of operating the bureaux for the year was \$742,428 compared with \$663,280 for the previous year. The cost of salaries and other administrative expenses, rents, maintenance and items of a capital nature, was \$1,008,786 against which the bureaux earned commission and other income to a total of \$231,696 and received a recoup of \$34,662 in respect of the operations of the Metropolitan Transport Information Centre.

In 1971–72 a total of \$4,825,571 was remitted to the Treasury in respect of cash collections from all sources. This amount included \$4,520,756 in respect of tourist bureau business, of which \$1,507,425 was credited to Railway Income and \$3,013,331 to the Tourist Bureaux Trust Account. Collections in the previous year totalled \$4,588,051.

NATIONAL PARKS.

On the coming into operation of the *State Development Act 1970* and the *National Parks Act 1970*, responsibility for the administration of the National Parks Fund moved from the National Parks Authority, which was abolished, to the Minister for State Development.

The Fund is credited with any moneys appropriated by Parliament and with any gifts, bequests or other moneys received by the Minister. The Fund is required to meet the costs and expenses of exercising the functions and powers contained in the *National Parks Act 1970* or the *State Development Act 1970*.

A summary of the operations of the National Parks Fund for the year ended 30th June, 1972, is given hereunder :—

	\$	\$
Balance, 1st July, 1971		2,457
Receipts—		
From the Consolidated Fund—		
Vote	145,000	
Works and Services Account	362,178	
Rentals, Fees, &c.	73,263	
	<hr/>	580,441
		<hr/>
		582,898
Payments—		
Grants to Committees of Management of National Parks, Advances for Works to the Public Works Department and Forests Commission and other Miscellaneous Expenditures	403,273	
Administration Costs	156,764	
	<hr/>	560,037
		<hr/>
Balance, 30th June, 1972		22,861
		<hr/>

In addition to the balance of \$22,861 at credit of the Fund, unexpended advances to the Public Works Department and the Forests Commission for works amounted to \$112,874 as at 30th June, 1972.

INDUSTRIAL DEVELOPMENT.

Under the provisions of the *State Development Act 1970*, there was established in the Treasury, as part of the Trust Fund, the Industrial Development Fund and, to that Fund, was transferred the balance at credit of the Decentralization Fund. Any liabilities of the Decentralization Fund are to be met from the Industrial Development Fund which is to be applied towards assisting in the establishment and expansion of secondary industries in certain areas of Victoria, outside the metropolis, as specified in the Act.

A consolidated statement of credits and disbursements in the Industrial Development Fund, including transactions in the Decentralization Fund to the date of its transfer to the former Fund is set out hereunder.

Credits to the Fund have been :—	\$	\$
To 30th June, 1971		4,392,395
During the year—		
From the Consolidated Fund—		
Vote	100,000	
Works and Services Account	150,000	
	<hr/>	250,000
		<hr/>
		4,642,395
		<hr/>
The Fund has been utilized as follows :—		
Expenditure to 30th June, 1971		4,392,208
During the year—		
Power and Light Subsidies	2,425	
Freight Subsidies	172,438	
Removal of Plant, Machinery, Furniture, &c.	11,670	
Miscellaneous	19,464	
	<hr/>	205,997
		<hr/>
		4,598,205
The balance at 30th June, 1972, was		44,190
		<hr/>
		4,642,395
		<hr/>

Amounts advanced from the Fund and still to be repaid at 30th June, 1972, are shown hereunder :—

	Advanced to 30th June, 1972.	Repaid.	Outstanding 30th June, 1972.	Arrears.	
				Interest.	Principal.
	\$	\$	\$	\$	\$
Brickworks	10,551	1,833	8,718	4,056	8,718
Textile Industries	84,000	70,912	13,088	213	..
Foundries and Other Industries	103,143	48,746	54,397	26,939	43,397
	*197,694	121,491	76,203	31,208	52,115

* 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.

IMMIGRATION.

The *State Development Act 1970* provides for the appointment of a Director of Immigration who, subject to the general direction of the Minister for State Development, is responsible for encouraging migrants to settle in Victoria.

The net cost to the Consolidated Fund for the year in respect of this activity was \$189,964, compared with \$132,099, in 1970-71. This increase was due mainly to expenditure of \$50,113 involved in an overseas migration mission.

ENVIRONMENT PROTECTION.

Under the *Environment Protection Act 1970*, the Environment Protection Authority was established to control and protect the environment.

The expenses of the Authority in the administration of the Act are defrayed out of moneys provided by Parliament. Expenditure during the year aggregated \$132,634.

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. It is also a constructing authority for the carrying out of works for the River Murray Commission.

In addition, pursuant to the provisions of the *State Rivers and Water Supply Commission (Special Projects) Act 1969*, the Commission, with the consent of the Governor in Council, may enter into an agreement with any government or developmental agency, including any specialized agency of the United Nations Organization, to carry out developmental works in any country, State or Territory outside Victoria.

CASH SUMMARY.

Details of the cost to the Consolidated Fund in connexion with country water supply are set out in Statement No. 6 appended to this Report. A summary of receipts and payments for the period 1969-72 is given in the table hereunder :—

	Receipts, including Recoups.	Payments.				Net Outgoing.
		General.	Debt Charges.	Works and Services Account.	Total.	
	\$	\$	\$	\$	\$	\$
1969-70	15,571,769	12,815,198	20,042,364	18,283,504	51,141,066	35,569,297
1970-71	16,843,559	14,103,653	21,467,868	17,008,339	52,579,860	35,736,301
1971-72	18,469,579	15,812,477	22,946,098	17,874,249	56,632,824	38,163,245

As the summary indicates, there was, in 1971-72, an increase in payments of \$4,052,964 (including an increase of \$1,478,230 in debt charges) offset by an increase in receipts of \$1,626,020. Thus the net increase in the cash outgoing between 1970-71 and 1971-72 was \$2,426,944.

REVENUE.

A summary of the revenue from rates and charges for the supply of water for the period 1969-72 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.		
	\$	\$	\$	\$	\$
1969-70	2,877,962	7,566,018	11,825,064	10,260,148	1,564,916
1970-71	3,383,644	8,188,777	13,137,338	11,174,196	1,963,142
1971-72	4,072,805	8,794,993	14,830,939	12,753,182	*2,077,757

* Subject to adjustment in 1972-73.

The increase in the amount collectable for "Water Sales and Miscellaneous" in 1971-72 was due mainly to an increase in the revenue from water sales in irrigation districts from \$1,013,149 in 1970-71 to \$1,672,945 in 1971-72. This increase, in turn, was due to greater sales of water in drought areas and increased charges in several irrigation districts.

The following statement of the percentage of total current assessment received during the year indicates the degree of effectiveness of district collections compared with the previous year. Sundry Head Office collections are excluded. Rural Districts are included for the first time, two having been constituted on 1st July, 1971.

	1970-71.	1971-72.
	%	%
Coliban Districts	95	96
Irrigation Districts	83	83
Waterworks Districts	91	91
Rural Districts .. ..	..	73
Urban Districts	83	84
Flood Protection Districts	91	94

A dissection of the total collectable sum and the amount thereof owing at 30th June, 1972, is given in the statement hereunder :—

	Total Collectable Sum.	Arrears 30. 6. 72.
	\$	\$
Coliban Districts	818,862	35,713
Irrigation Districts	8,047,578	1,242,611
Waterworks Districts	1,786,519	155,307
Rural Districts	55,120	15,991
Urban Districts	3,347,111	553,578
Flood Protection Districts	111,576	11,314
Sundries	664,173	63,243
	<u>14,830,939</u>	<u>2,077,757</u>

Other receipts are obtained by way of oncost and by direct recoup from other funds. These receipts were obtained as follows :—

	1969-70.	1970-71.	1971-72.
	\$	\$	\$
From oncost at varying rates to a maximum of 12.5 per cent. . .	1,353,143	1,454,057	1,565,087
„ repayments on account of works temporarily financed from Consolidated Fund	295,907	297,688	350,173
„ salary recoups—River Murray Commission and various funds	1,376,414	1,519,290	1,650,795
	<u>3,025,464</u>	<u>3,271,035</u>	<u>3,566,055</u>

PAYMENTS.

Payments from the Consolidated Fund in 1971-72 on account of country water supply totalled \$56,632,824 and comprised salaries and payments in the nature of salary \$8,848,113, debt charges \$22,946,098, general expenses and other services \$6,964,364 and Works and Services Account \$17,874,249.

Expenditure from the Works and Services Account included the sum of \$12,388,275 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 ..	3,468,385
Mornington Peninsula System The extension of pipelines and reticulation ..	2,227,212
Roslynne Dam Project .. Construction of dam on Jacksons Creek ..	1,547,032
Otway System .. The extension of pipelines and reticulation ..	1,155,343

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

	\$
River Murray Salinity	52,112
King River Dam	311,631
Water Resources Measurement	444,930
Rural Employment (including \$111,420 by way of re-imbursement to Local Authorities)	588,255

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. The amount of surpluses so certified in 1971-72 was \$836,186, and this sum was provided from the Works and Services Account.

Stores Suspense Account.

Up to and inclusive of 30th June, 1972, 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, the balance at credit of the Water Supply Stores Suspense Account is shown as \$761,003. This amount is represented in the Commission's accounts by :—

	\$
Balance available for purchases of stores, &c.	387,706
Credit Balances of Hire Plant Accounts	373,297
	<hr/>
	761,003
	<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.

According to Commission records, the book values of plant, tools and general stores at 30th June, 1972, were :—

	Plant. \$	Tools and Stores. \$
At Construction Works	148,219	269,032
Stores Suspense Accounts (Depots)	271,777	1,550,876
At Central Plant Workshops (Suspense Accounts)	35,158	187,797
At Central Plant Workshops pending transfer or disposal.. . . .	17,515	123,668

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 the Works and Services Account 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 \$50,477. The capital liability at 30th June, 1972, in respect of this class of plant and machinery was \$3,841,777.

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, 1972, the balance in the Fund for the replacement of hire plant and machinery was \$1,933,463.

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 moneys, by means of annual rates and charges, 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 for depreciation in the annual rates and charges are to be paid into the Consolidated Fund 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 1971-72 was \$240,536. However, in recent years, no payment has been made to the Fund and, at 30th June, 1972, no balance was held in the Fund. At the same date, the balance of the Account was \$7,048,170.

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 1971-72 on these works amounting to \$335,865, including an amount of \$115,156 representing expenditure on the construction of Dartmouth Dam.

In 1971-72, under the authority of Water Supply Works and Services Acts Nos. 8031 and 8215, Victoria contributed \$360,300 for the construction of works, bringing the State's total contribution for construction as at 30th June, 1972, to \$14,568,715. The contribution from the Consolidated Fund 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.

Dartmouth Dam Construction Account.

This Account was established by the Treasurer under the authority of Section 8 of the *Public Account Act* 1958 to record income and expenditure in relation to the construction of Dartmouth Dam. In the year, receipts, including an operating advance of \$140,000, amounted to \$223,607 and expenditure to \$115,156. The balance in the account at 30th June, 1972, was \$108,451.

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 \$811,651 and expenditure, including refunds of contributions, amounted to \$983,575. The balance in the Account at the close of the year was \$355,898.

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 the Water 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 \$224,290.

In 1971-72, advances to various Trusts by the State amounted to \$2,729,972. Repayments on account of advances amounted to \$141,427, and certain Trusts were relieved of liability to the extent of \$1,225,949. 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 \$1,362,596.

River Improvement Trusts.

To 30th June, 1972, twenty-six River Improvement Trusts and four Drainage Trusts had been constituted under the River Improvement Act. The accounts of the Trusts are subject to audit by my officers, as required by the provisions of the *River Improvement Act* 1958 and the *Water Act* 1958.

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 1971-72 for this purpose was \$1,893.

Advances by the State in 1971-72 totalled \$812,716. Repayments in respect of advances amounted to \$3,476 and certain Trusts were relieved of liability to the extent of \$674,097 which the Governor in Council directed be borne by the State. The net increase in the Trusts' indebtedness for State loans was \$135,143.

Country Sewerage.

In addition to its function of administering the Water Act, the Commission exercises general supervision over Sewerage Authorities. The accounts of the Authorities are not subject to my audit.

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 \$1,958,368.

Advances by the State in 1971-72 totalled \$1,123,000. Repayments in respect of advances amounted to \$24,193 and certain Authorities were relieved of liability to the extent of \$1,122,883 which the Governor in Council directed be borne by the State. The net decrease in the Authorities' indebtedness for State loans was \$24,076.

In addition, the State advanced \$80,834 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 1971-72 totalled \$14,759 of which \$13,478 or 91 per cent. was paid during the year. Costs chargeable to the district amounted to \$12,737 plus depreciation, \$1,996. During the year, this amount of \$1,996 was transferred from the Consolidated Fund to the Eildon Sewerage District Depreciation Fund. At 30th June, 1972, the balance of the Fund was \$20,920.

TEACHER HOUSING AUTHORITY.

The Authority was constituted under the provisions of the *Teacher Housing Act 1970*, which came into operation on 30th June, 1971.

The function of the Authority is to provide and maintain adequate and suitable housing for teachers at rentals fixed by the Teachers Tribunal.

Under the provisions of the Act, all land vested in the Minister of Education for providing housing accommodation of teachers, and all teacher houses on Crown land under the control of the Education Department were vested in the Authority as from 30th June, 1971, together with all rights, interests and liabilities in respect thereof.

Moneys appropriated by Parliament for the purposes of the Act and all other moneys received by the Authority are required to be paid into the Teacher Housing Authority Fund established under the Act and kept at the Treasury as part of the Trust Fund.

A summary of receipts and payments of the Authority during the year ended 30th June, 1972, is as follows :—

RECEIPTS.											
										\$	\$
Treasurer of Victoria—advances under Works and Services Act	..	..	..	..	..	..	..	..	..	856,000	
Education Department—rent collections	..	..	..	..	..	..	..	..	..	544,084	
Sales of land and houses	..	..	..	..	..	..	..	..	..	14,691	
Other	..	..	..	..	..	..	..	..	..	1,839	
										1,416,614	
PAYMENTS.											
Capital—											
Purchase of land and houses	..	..	..	..	..	..	..	..	..	532,394	
Site Development	..	..	..	..	..	..	..	..	..	28,887	
Improvements to houses	..	..	..	..	..	..	..	..	..	51,877	
										613,158	
Maintenance of houses—											
Painting	..	..	..	..	..	..	..	..	..	60,865	
Plumbing	..	..	..	..	..	..	..	..	..	64,533	
Other	..	..	..	..	..	..	..	..	..	111,258	
										236,656	
Rates	..	..	..	..	..	..	..	..	..	84,557	
Administration	..	..	..	..	..	..	..	..	..	64,120	
Other	..	..	..	..	..	..	..	..	..	9,421	
										1,007,912	
Balance	..	..	..	..	..	..	..	..	..	408,702	

Establishment of a satisfactory accounting system is still in the developmental stages and a revenue account and balance sheet as mentioned in the Act have not as yet been prepared. The above statement is included in this Report to show the moneys available to the Authority for the year and the purposes to which the moneys had been applied.

TRANSPORT REGULATION BOARD.

The functions of the Board are to improve and co-ordinate transport and, for these purposes, it has, pursuant to the provisions of the *Transport Regulation Act 1958*, and Part I. of the *Commercial Goods Vehicles Act 1958*, jurisdiction over all commercial goods and passenger vehicles operating within the State. Fees (other than road charges) and fines under those 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, 1972, was \$323,666.

TRANSPORT REGULATION FUND.

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

1970-71. \$	<i>Receipts.</i>						1971-72. \$ \$	
706,011	Balance of Transport Regulation Fund at 1st July	..	..	..	..	..	..	462,318
809,468	Licence Fees and Additional Fees on Licences	..	..	..	..	..	816,475	
115,330	Licence Transfer Fees	..	..	..	..	..	122,817	
932,668	Permits—Goods and Passenger	..	..	..	..	..	1,084,291	
21,663	Drivers' Certificates	..	..	..	..	..	43,842	
9,711	Metropolitan Omnibus Registration Fees	..	..	..	..	..	10,376	
262,287	Fines	..	..	..	..	..	246,426	
37,708	Miscellaneous Receipts	..	..	..	..	..	41,928	
2,894,846							2,366,155	2,828,473
	<i>Payments.</i>							
2,188,161	Salaries and Overtime	..	..	..	..	..	2,348,549	
510,093	Other Administrative Expenses	..	..	..	..	..	489,462	
75,421	Payment for Police Services	..	..	..	..	..	53,720	
96,739	Contributions towards Bus Shelters, Comfort Stations, Information Centre, &c.	..	..	..	..	..	57,639	
114,809	Capital Expenditure (Net)	..	..	..	..	..	134,900	
2,985,223							3,084,270	
	<i>Less—Recoups—</i>						\$	
39,378	Costs of Collection—Motor Boat Registrations	..	..	..	..	..	45,296	
513,317	Road Charges (Commercial Goods Vehicles Act)	..	..	..	..	..	534,167	
2,432,528							579,463	
462,318	Balance of Fund at 30th June	..	..	..	..	..	..	323,666

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 1971–72 was \$9,136,206 compared with \$8,902,790 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 1971–72 amounted to \$305,138. The costs of collection and administration were recouped to the extent of \$45,296.

PART VI.—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, 1972, 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	135,000
Royal Agricultural Society of Victoria	1,040,000	497,808

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, 1972, of cases where guarantees have been given by the Treasurer under the authority of statute and where there is a contingent liability. Apart from the guarantee to the Sisters of Mercy Property Association, details of the cases, including references to the statutory authority, have been given in previous Reports. The statement hereunder does not include instances where Parliament has included in legislation a Government guarantee of the borrowings of Government instrumentalities and other bodies.

	Guarantee.	Contingent Liability.
	\$	\$
Co-operative Housing Societies	199,674,000*	95,096,364*
Co-operative Housing Societies .. .. .	..	124,992,572†
Co-operative Societies	6,137,558	3,679,127
Home Finance Trust	30,114,373	24,206,241
Melbourne Cricket Club	2,550,000	2,484,559
Trustees of the Sisters of Charity of Australia	4,500,000	4,500,000
Victorian Inland Meat Authority	300,000	300,000
St. Francis Xavier Cabrini Hospital.. .. .	750,000	675,000
Sisters of Mercy Property Association	800,000	800,000

* Guarantees and Contingent Liability in relation to loans made by approved bodies to registered Co-operative Housing Societies.

† State's liability to the Commonwealth on account of advances from the Home Builders' Accounts for registered Co-operative Housing Societies.

The *Mercy Private Hospital (Guarantee) Act 1971* authorizes the Treasurer to guarantee the payment of interest and other charges and the repayment of any loan made to the Sisters of Mercy Property Association for the purpose of making renovations and additions to the Mercy Private Hospital. The total liability under the guarantee is not to exceed \$800,000.

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.

	1971.	1972.
	\$	\$
Railways	5,528,046	6,352,384
Taxation—		
Gift Duty .. .. .	..	62,309
Income	906	..
Unemployment Relief	342	..
Land	1,956,220	1,887,633
Probate Duty	4,918,719	3,200,018
Water Supply	1,961,348	2,077,757
Lands Department	591,214	619,754
Rural Finance and Settlement Commission	618,706	598,030
Forests Commission	676,956	867,593
Government Printer (excluding amounts due from State Departments)	167,064	122,219
Other Departments	123,337	135,362
Trading Activities—		
Victoria Dock Cool Stores	199,825	274,812
Miscellaneous	450,393	312,315
	17,193,076	16,510,186

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 the Consolidated Fund have been provided from the Industrial Development (previously Decentralization) Fund, \$897,454, and from the Tourist Fund, \$569,767. To 30th June, 1972, repayments on account of these advances amounted to \$479,793 and \$193,394 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, Works and Services Acts or from Treasurer's Advance. Advances made during these years related mainly to projects associated with water supply and sewerage in country districts.

	1970-71.	1971-72.
	\$	\$
Corporations and other Bodies	2,648,500	1,940,933
Various	122,208	293,034
Total	2,770,708	2,233,967

In some cases, repayment of advances has not been in accordance with the agreed conditions and, at 30th June, 1972, instalments of redemption and interest charges due and unpaid amounted to \$188,226. Following is a concise statement of the balances of advances and amounts overdue :—

	Balance of Advances at 30th June, 1972.			Overdue at 30th June, 1972.				
	Loan Sources.	Revenue Sources.	Total.	Redemption.			Interest.	Total.
				Loan Sources.	Revenue Sources.	Total.		
	\$	\$	\$	\$	\$	\$	\$	\$
Municipalities	2,443,829	..	2,443,829	27,738	..	27,738	..	27,738
Corporations and other bodies	45,115,739	..	45,115,739	19,721	..	19,721	101,231	120,952
Unemployment Relief Advances	142,771	..	142,771	31,471	..	31,471	..	31,471
Advances to Settlers	9,586	..	9,586	5,261	..	5,261	2,045	7,306
Various	2,150,700	509	2,151,209	250	509	759	..	759
Total	49,862,625	509	49,863,134	84,441	509	84,950	103,276	188,226

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 unsatisfied at 30th June, 1972.

Date.	Department, &c.	Amount.	Disallowance or Surcharge.	Particulars.
		\$		
24.11.70	Social Welfare—Pentridge Prison	2,176.75	Surcharge ..	Failure to account for moneys received
22.12.71	Chief Secretary—Police—Stratford	2,932.59	Surcharge ..	Failure to account for moneys received.
5.6.72	Law—Magistrates' Court, Melbourne	706.58	Surcharge ..	Failure to account for moneys received on account of licences.

Imperfect Vouchers

Pursuant to Section 42 of the *Audit Act* 1958 the undermentioned vouchers which were imperfect for the reason shown were admitted as sufficient discharge of the Paymaster.

Treasury.

Vouchers supporting certain payments by the Treasury during the period 11th November, 1971, to 10th December, 1971, were inadvertently destroyed after being assembled ready for despatch to this Office.

The sum of \$2,052,930 has now been allowed after examination of reconstructed vouchers, the submission of satisfactory evidence by relevant departments and the examination of subsidiary departmental records.

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 respect of moneys disbursed from the Public Account in 1971–72, the Treasurer has not been acquitted to the extent of \$4,382,608 which includes an amount of \$893,117, advances to Departments, &c., not adjusted prior to 30th June, 1972.

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 :—

AGRICULTURE DEPARTMENT.

Marketing Inspection Branch.—An amount of \$60 was not brought to account. The deficiency was made good by the person known to have last handled the money.

CHIEF SECRETARY'S DEPARTMENT.

National Gallery of Victoria.—(i) A special investigation in respect of the accounts disclosed that funds totalling \$40,312.34 had been misappropriated. Two officers have been charged by the police in connection with the misappropriation and have yet to be presented for trial. Action under Section 36 of the *Audit Act* 1958 is proceeding.

(ii) An amount of \$18 held for cash expenditure was found to be missing from the Exhibitions Office. Responsibility for the loss could not be determined and the Council of Trustees gave approval to the amount being written off.

Police Property Office, Russell Street.—In connection with a theft of \$55 from this Office disciplinary action was taken against some members of the Force. The Treasurer approved payment of an equivalent amount to the rightful owner from the Consolidated Fund.

EDUCATION DEPARTMENT.

Primary Schools.—Irregularities were detected in the accounts of five primary schools. In one case, restitution of \$27.91 was made in full and, in the other four instances, police action was taken.

LABOUR AND INDUSTRY DEPARTMENT.

An Inspector of Factories and Shops was suspended from duty in connection with failure to account for moneys received totalling \$134.96. At the County Court the officer was convicted for embezzlement and received a suspended sentence. Action under Section 36 of the *Audit Act* 1958 is in course.

LAW DEPARTMENT.

Hawthorn Magistrates' Court.—The disappearance of an amount of \$50 lodged at the Hawthorn Police Station for transfer to the Court was investigated by the police but responsibility for the loss could not be established.

Melbourne Magistrates' Court.—An audit inspection disclosed a deficiency of \$706.58 in respect of licences issued. In the County Court an officer pleaded guilty to the charge of embezzlement and was placed on probation for two years. He was surcharged with the amount of the deficiency.

Shepparton Magistrates' Court.—A shortage of \$50 was investigated by the police but responsibility for the loss could not be established. The Treasurer approved writing off the amount.

RAILWAYS.

Thirty-two officers and employees were found guilty of offences in respect of loss or theft of money or other property. With the exception of five instances involving sums of \$730, \$475, \$300, \$180 and \$140, the cash and other deficiencies were comparatively small. Twenty-eight of the charges were heard by the Courts and four were dealt with by the Railways Board of Discipline.

During the year a number of armed robberies and thefts by forced entry occurred at stations. The most serious took place at North Melbourne on 15th July, 1971, when a payroll of \$18,800 was lost as a result of armed robbery. In connection with this offence a man was apprehended by the police in June, 1972, charged with armed robbery, and committed for trial at the Melbourne Supreme Court. The money has not been recovered. Other armed robberies took place at Carnegie and Lalor stations involving losses of cash of \$311 and \$654 respectively. Neither amount has been recovered. In connection with the robbery at Carnegie, two men have been charged and are to appear before the Supreme Court.

SOCIAL WELFARE DEPARTMENT.

Head Office.—An officer claimed and was paid a mileage allowance at a rate higher than applicable. He was charged and fined by the Permanent Head and repayment of the excess was made.

STATE DEVELOPMENT DEPARTMENT.

Ballarat Tourist Bureau.—A shortage of \$30 was investigated but responsibility could not be established. The Manager made good the loss.

STATE ELECTRICITY COMMISSION.

Losses incurred by the State Electricity Commission during 1971–72 were confined to minor thefts of cash, stores and materials. The largest losses were connected with the thefts of non-ferrous metals from erected lines, stores, depots and field locations, the Commission's value of these losses being \$4,066, a much lower figure than for the previous year.

TREASURY.

Comptroller of Stamps.—A deficiency of \$200 occurred in the daily takings of the cashier but the cause could not be determined. The cashier is making good the loss by instalments.

UNIVERSITIES.

La Trobe.—Payment for purchases of a private nature was authorized out of the University's funds by the purchasing officer. The amount involved, \$647.52, was made good by the officer and his services were terminated.

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	Frankston Research Station	6 Moisture Meters	50	} Stolen, police notified	
		12 Gypsum Blocks			
	6 Sprinklers				
	Fruit Fly Depots Burnley Gardens	Clothing, Equipment ..	156		
		Trailer and Hose	294		
	Dookie College Werribee Farm	4 Motor Mowers	503		
		Adjustable Wheel	9		
		50 Pullets, 2 Sheep	50		
Mixmaster		170			
		Transistor Radio	105		
Country Roads Board	Methods Section Glenalbyn	Adding Machine	57	} Stolen, police notified	
		94 gallons Petrol	35		
	West Footscray	Tools, Equipment	528		
	Warrnambool	Panel Van Grille	4		
	Melton Shire	Traffic Counter	84		
	Albion Overpass	Equipment, Clothing	11		
	Dargo Forest Road	Equipment, Tools	2,547		
	Wallan-Whittlesea Road	Generator	1,050		
	Gas Stove, Cylinder 2 Electric Leads				
Crown Lands and Survey	Rainbow Depot Kulkine Forest	Tools, Petrol	60	} Stolen, police notified	
		Gas Refrigerator	150		
	Gas Cylinder and Regulator				
	First Aid Kit				
Education	General Store	Tape Recorder	359	} Investigated, police notified	
		Record Player			
		Floor Polisher			
		2 Transistor Radios			
		Projector and Screen			
	Various Schools	Equipment stolen and damaged	27,308	Police advised of thefts	
Fisheries and Wildlife	Head Office	Fishing Rods, Reels	150	} Missing, presumed lost Reported to police Manager notified	
	Yarra River, Eltham	8 Gill Nets	80		
	People's Palace, Melbourne	Departmental Officer's Uniform	52		
Forests Commission	Head Office	Stapler, Stamps	16	} Police advised No recoveries	
	Creswick	35 Plants	12		
	Nathalia	2 Batteries	70		
	Powelltown	Gelignite and Fuse	37		
	Stawell	Electric Drill	20		
La Trobe University	Registrar's Office	Electric Typewriter	421	} Police notified Covered by insurance	
	Business Manager's and Secretary's Offices	3 Paintings	735		
	Services Branch	3 Polishers	489	} Stolen	
	Store	10 pairs Gloves	7		
		1,000 Special Screws	16		
	Menzies College	Stereo Machine	310	} Police notified	
	Glenn College	Clothing	37		
	Thomas Cherry Building	Cassette Recorder	62		
	School of Education	8 Reels Videotape	380	} Stolen	
		Equipment	218		
	Audio Visual Aids	2 Loudspeaker Columns	154		
	Politics Department	Duplicating Paper	28	} Police notified	
Chemistry Department	Projector, 2 Magazines	174			
Toorak	Dictation Machine	186			
Melbourne and Metropolitan Board of Works	Various Locations	Tools and Equipment	16,809	Lost and/or stolen	
Mental Health Authority	Head Office	Typewriter	40	} Police notified	
	Plenty Hospital	5 Plastic Chairs	10		
	Mont Park Hospital	Refrigerator, Radio, Radiator, Electric Jug, Iron, Electric Razor	190		
		Bundoora Hospital	47 Blankets, Knives, Spoons		100
			Royal Park Hospital		Electric Razor .. ..	10
	Hobson Park Hospital	Motor Mower	10		} Old. Written off Police notified
	Gresswell Centre	Tools	100		
	Dandenong Centre	Typewriter	40		

Department or Authority.	Location.	Items Lost or Stolen.	Value.	Remarks.
			\$	
Monash University ..	Arts	Name Plate	6	} Missing, believed stolen
		Chemistry	132	
		Cassette	50	
		Balance	420	
		2 Calculators	940	
		Ecops	40	
	Physics	Meter	40	}
		Obstetrics and Gynaecology	141	
Police	Traffic Control Centre	Block and Tackle	36	} Stolen
		Sale Station	20	
Public Works	Various Locations	Tools and Equipment	2,596	Police notified of thefts
State Rivers and Water Supply Commission	Various Centres and Job Sites	Tools and Equipment	1,479	Police notified of thefts
University of Melbourne ..	University Press Bookroom	Records and Headphones	880	} Stolen, police informed
		Baillieu Library	Photo Copier .. ..		1,408
		Copying Paper	152	
		Traymobile	40	

Acknowledgment.

Because of the extent of the work-load arising from my statutory duties, the demands made on my staff during the year were heavy. I acknowledge the willingness of the staff to meet the demands and record my appreciation of their loyal and efficient support.

I also thank the officers of the Treasury and other Departments for their co-operation and I am particularly grateful for the service rendered by the Government Printer.

B. HAMILTON
Auditor-General.

Melbourne, 3rd November, 1972.

STATEMENT No. 1.

A comparison, on a monetary and proportional basis, of expenditure from the Consolidated Fund* in 1971-72 with that in the previous year is given below :—

Nature of Expenditure.	1970-71.		1971-72.	
	Amount.	Percentage of Funds Available.	Amount.	Percentage of Funds Available.
Social—	\$	%	\$	%
Education, Health, Housing, Welfare, Payments to Hospitals and Charities Fund, &c. ..	484,082,951	47·87	605,509,918	49·79
†Debt Charges—				
Interest, Sinking Fund, Repayments, (including Housing and Soldier Settlement) ..	165,560,346	16·37	184,730,570	15·19
Railways—				
‡Working Expenses and Expenditure from Works and Services Account	139,088,294	13·75	148,000,032	12·17
Pensions	6,176,365	·61	6,532,674	·54
Primary Production—				
Agriculture, Lands, Soldier Settlement, Forests, Country Water Supply, &c.	67,588,155	6·68	74,047,923	6·09
Law and Order—				
Law, Police, Prisons, &c... ..	47,001,961	4·65	57,539,026	4·73
State Electricity Commission—				
Advances	5,000,000	·49	11,000,000	·91
Melbourne and Metropolitan Board of Works—				
Advances	10,000,000	·99	19,803,028	1·63
Other Public Works—				
Works and Advances	14,102,352	1·39	13,665,615	1·12
Pensions—				
Retired Officers, Officers' Widows, &c., excluding Railways	12,073,322	1·19	13,911,068	1·14
Other Expenditure	55,473,810	5·49	67,857,617	5·58
Total Expenditure	1,006,147,556	99·48	1,202,597,471	98·89
Funds retained in the Works and Services Account	5,231,106	·52	13,522,255	1·11
Total Funds Available	1,011,378,662	100·00	1,216,119,726	100·00

* Includes expenditure through the Works and Services Account.

† Includes Railway Debt Charges.

‡ Excludes Debt Charges.

STATEMENT No. 2.

ABSTRACT OF LOAN TRANSACTIONS FOR THE YEAR 1971-72.

Receipts—

					\$	\$
Proceeds of Loans Raised—						
For Works, &c.	..	..	..	..	171,670,000	
For Redemption	..	..	..	..	210,342,562	
Loan Repayments	..	..	..	..	7,691,858	
					<u> </u>	<u>389,704,420</u>

Disbursements—

Paid to the Consolidated Fund	..	..	..	..	179,361,858	
Applied to Redemption	..	..	..	..	210,342,562	
					<u> </u>	<u>389,704,420</u>

LIABILITY FOR LOANS.

					\$	\$
Liability to Commonwealth at 30th June, 1971	..	..	..	..		2,328,541,149
Loans raised in 1971-72—						
For Works, &c.	..	..	..	..	171,700,949	
For Redemption	..	..	..	..	210,403,354	
					<u> </u>	<u>382,104,303</u>
						2,710,645,452
<i>Less Loans Repurchased or Redeemed—</i>						
By Redemption Loans	..	..	..	..	209,903,234	
By National Debt Sinking Fund	..	..	..	..	26,398,595	
					<u> </u>	<u>236,301,829</u>
Liability to Commonwealth at 30th June, 1972	..	..	..	..		2,474,343,623
<i>Less Cash at credit of National Debt Sinking Fund</i>	..	..	..	..		<u>5,065,257</u>
Net Liability for Loans at 30th June, 1972	..	..	..	..		<u>2,469,278,366</u>
Net Liability for Loans at 30th June, 1971	..	..	..	..		<u>2,325,375,462</u>
Increase in Net Liability for the year	..	..	..	..		<u>143,902,904</u>

The net liability to the Commonwealth at 30th June, 1972, of \$2,469,278,366 does not include the liability in respect of—

- (i) advances for housing, \$544,943,640 ;
- (ii) advances for special assistance for soldier settlement, \$12,747,433 ;
- (iii) advances for drought relief, \$3,626,562 ; and
- (iv) the special payment to the State in 1969-70 to meet budgetary difficulties, \$10,000,000.

STATEMENT No. 3.

TRUST FUND.

The Treasurer's liability on account of the Trust Fund, at 30th June, 1972, was :—

<i>Various funds as per Treasurer's Statement—</i>						\$
Amounts lodged and invested	..	..	..	..	..	77,697,529
General Account balances	..	..	..	..	..	125,024,873*
						<u>202,722,402</u>

Represented by :

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.	..	..	..	..	..	23,055,969
Gas and Fuel Corporation Registered Debenture Stock	..	..	..	..	..	20,395,700
Gas and Fuel Corporation of Victoria—Shares	..	..	..	..	..	15,435,394
Geelong Harbor Trust Debenture	..	..	..	..	..	70,817
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	..	..	..	..	..	1,440,000
Melbourne and Metropolitan Board of Works Inscribed Stock	..	..	..	..	..	10,556,460
Melbourne and Metropolitan Tramways Board Inscribed Stock	..	..	..	..	..	1,125,000
National Art Gallery and Cultural Centre Registered Debenture Stock	..	..	..	..	..	797,927
Pilot Vessels—Registered Mortgage Debentures	..	..	..	..	..	66,196
State Electricity Commission Inscribed Stock	..	..	..	..	..	4,244,860
State Savings Bank Deposit Stock	..	..	..	..	..	1,881,480
						<u>79,437,529*</u>

Cash Advanced—

						\$
For Deficits incurred to 30th June, 1970	..	..	..	..	..	21,782,281
For Other Advances	..	..	..	..	..	3,606,244
						<u>25,388,525</u>
Cash as per Treasurer's Statement	..	..	..	..	..	97,896,348
						<u>202,722,402</u>

* Includes balances invested on account of the Treasurer's Investment Account—General, \$1,740,000.

STATEMENT No. 4.

DEBT CHARGES ACCOUNT.

The following particulars have been compiled from the Treasurer's Statements with the object of indicating the portion of the Receipts, other than Railway Income, which may be regarded as having been available to meet the Debt Charges paid for the year 1971-72.

Receipts.		\$	Payments.		\$
<i>Paid to the Consolidated Fund on account of Interest,</i>					
<i>Sinking Fund, etc. on Advances from the State—</i>					
State Electricity Commission	..	16,649,067	Melbourne	..	118,782,484
Country Roads Board	..	2,507,805	Overseas	..	3,890,871
Water, Sewerage, &c. Authorities	..	1,784,700			
Rural Finance and Settlement Commission	..	1,580,267	Expenses	..	122,673,355
Land Settlement	..	1,208,258			410,428
Melbourne and Metropolitan Board of Works..	..	980,382			
Gas and Fuel Corporation	..	540,176			
Grain Elevators Board	..	111,897			
Other Authorities	..	1,269,398			
		26,631,950			123,083,783
<i>Paid to the Consolidated Fund—Other Interest—</i>					
Interest on Public Account	..	6,269,296	Sinking Fund Contributions	..	23,447,850
Less—Interest paid on Deposits	..	78,958	Loan Conversion Expenses	..	21,544
		6,190,338			146,553,177
<i>Paid to the Consolidated Fund—Recoup of Interest,</i>					
<i>Principal, &c.—Other Loans.</i>					
Commonwealth—State Housing Agreement—			Debit to the Consolidated Fund on account of		
Housing Commission	..	21,531,132	Debt Charges on Public Debt	..	..
Home Builders' Account	..	5,815,043	Debit to the Consolidated Fund on account of		
		27,346,175	Railways	..	9,551,879
Commonwealth—Special Assistance Loans for					156,105,056
Soldier Settlement	..	629,339			
		27,975,514			
<i>Portion of Debt Charges met from Commonwealth Debt</i>					
Charges Assistance Grant	..	5,565,635	Commonwealth—State Housing Agreement	..	27,346,175
Portion of Debt Charges met from Railway Income..	..	9,551,879	Commonwealth Special Assistance Loans for		
Balance—Amount which had to be met from Taxation			Soldier Settlement	..	629,339
and other sources	..	108,815,254			27,975,514
		184,730,570			184,730,570

STATEMENT NO. 4—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.
	\$	\$	\$	\$	\$	\$	\$
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
1969-70 ..	2,169,882,408	122,930,023‡	27,244,443	95,685,580	5.6653	1.2556	4.4097
1970-71 ..	2,280,987,717	131,236,946‡	31,828,035	99,408,911	5.7535	1.3953	4.3582
1971-72 ..	2,401,442,386	147,203,177‡	38,387,923	108,815,254	6.1298	1.5989	4.5309

* 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.

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.
	\$	\$	\$	\$	\$	\$	\$
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
1969-70 ..	392,969,625	20,042,364	2,197,777	17,844,587	5.1002	.5593	4.5409
1970-71 ..	410,157,424	21,467,868	2,739,906	18,727,962	5.2340	.6680	4.5660
1971-72 ..	427,345,152	22,946,098	2,657,102	20,288,996	5.3695	.6218	4.7477

STATEMENT No. 5.

RAILWAYS.

Statement of Railway Receipts and Expenditure, 1971-72.

Receipts.		\$	Expenditure.		\$
Ordinary Income . . . . .	.. .. .	110,396,153	Working Expenses .. .. .	.. .. .	129,965,315
Recoup for reductions in certain Country Freight Charges .. .. .	.. .. .	286,000	Accident Fund .. .. .	.. .. .	1,935,966
Recoup Pensioners' Fares Concessions .. .. .	.. .. .	1,250,000	Renewals and Replacements Fund .. .. .	.. .. .	400,000
Recoup Kerang-Koondrook Tramway Act .. .. .	.. .. .	34,452	Pension Contributions .. .. .	.. .. .	6,532,674
		<u>111,966,605</u>	Commissioners' Salaries .. .. .	.. .. .	65,660
					<u>138,899,615</u>
			Interest .. .. .	.. .. .	9,077,394
			Sinking Fund Contribution .. .. .	.. .. .	393,013
			Exchange on Overseas Interest .. .. .	.. .. .	81,472
Available from Appropriations to Works and Services Account		15,444,234			<u>9,551,879*</u>
			Way and Works .. .. .	.. .. .	8,747,915
			Rolling-stock, Equipment, &c. .. .. .	.. .. .	6,553,910
			Construction of New Lines, &c. .. .. .	.. .. .	142,409
Deficit for year .. .. .	.. .. .	36,484,889			<u>15,444,234</u>
Total .. .. .	.. .. .	<u>163,895,728</u>	Total .. .. .	.. .. .	<u>163,895,728</u>

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

STATEMENT NO. 5—continued.

For purposes of comparison the receipts and expenditure (excluding expenditure through the Works and Services Account) for the past two years are shown in the following statement :—

Expenditure.	1970-71.	Per cent. of Receipts.	1971-72.	Per cent. of Receipts.
	\$		\$	
Working Expenses	121,084,634	} 111·6	129,965,315	} 115·9
Commissioners' Salaries	56,800		65,660	
Accident Fund	1,497,063	1·4	1,935,966	1·7
Renewals and Replacements Fund	400,000	·4	400,000	·3
Pension Contributions	6,176,365	5·6	6,532,674	5·7
National Debt Sinking Fund	364,848	·3	393,013	·3
Interest	8,080,581	7·4	9,077,394	8·0
Exchange on Overseas Interest	91,553	·8	81,472	·7
	137,751,844	127·5	148,451,494	132·6
Deficit	29,751,633	27·5	36,484,889	32·6
Receipts	108,000,211	100·0	111,966,605	100·0

COUNTRY WATER SUPPLY.

RECEIPTS AND PAYMENTS 1971-72.

Receipts.		Payments.	
<i>Debt Charges—</i>	\$	<i>Charged to the Consolidated Fund—</i>	\$
Water Trusts and Other Corporations, &c.	1,738,128	Special Appropriation—	
		Pensions	561,550
		National Debt Sinking Fund	1,026,946
		Interest	21,747,688
		Exchange	168,060
		Loan Conversion Expenses	3,404
			<u>23,507,648</u>
		<i>Rates, &c.—</i>	
Colliban	784,161		
Irrigation Districts	6,794,581		
Waterworks Districts	1,623,319		
Rural Districts	38,674		
Urban Districts	2,786,549		
Flood Protection Districts	100,218		
Miscellaneous	634,904		
	<u>12,762,406</u>		
		<i>Vote—</i>	
		Salaries and payments in the nature of salaries..	8,848,113
		General Expenses	1,914,588
		Colliban Districts	227,992
		Irrigation and Drainage Districts	2,672,173
		Waterworks Districts	1,342,067
		Flood Protection Districts	64,932
		Removal of Sand Drift	98,113
		Private Diversions including Headworks	82,949
			<u>15,250,927</u>
		<i>Recoups of Amounts paid from the Consolidated Fund</i>	16,278,489
		<i>Loan Repayments</i>	452,962
		Works and Services Account—	
		Trusts, &c. (for Advances)	4,010,867
		Districts	13,803,994
		Plant and Machinery	50,477
		Latrobe Valley Water Supply	8,911
			<u>17,874,249</u>
Net Outgoing	38,163,245		
			<u>56,632,824</u>

APPENDIX A.

SUMMARY OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE, 1972,
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	10,856	..	1,428	12,284	175,647	31,727	4,142	211,516	199,232
Agricultural College, Dookie, Stock Trading Account	70,638	91,832	22,456	184,926	502,657	209,000	41,233	752,890	567,964
Agricultural College, Longerenong .. .. .	..	75,351	..	75,351	..	15,010	..	15,010	Cr. 60,341
Agricultural College, Longerenong, Stock Trading Account	40,718	46,615	16,418	103,751	338,480	112,047	88,411	538,938	435,187
Dairy College, Glenormiston .. .. .	..	22,922	..	22,922	..	662	..	662	Cr. 22,260
Dairy College, Glenormiston, Stock Trading Account	35,043	29,588	4,076	68,707	157,347	75,331	747,429	980,107	911,400
Gilbert Chandler Institute of Dairy Technology, Werribee .. .. .	..	20,736	..	20,736	..	6,273	..	6,273	Cr. 14,463
S.S. Cameron Laboratory, Werribee	2,389	6,104	5,458	13,951	65,326	44,233	19,477	129,036	115,085
Dairy Research Station, Ellinbank .. .. .	..	23,019	183	23,202	122,823	51,226	14,884	188,933	165,731
Dairy Research Station, Ellinbank, Stock Trading Account	438	21,246	1,260	22,944	77,399	23,826	25,512	126,737	103,793
Research Station, Mildura .. .. .	..	28,386	..	28,386	..	23,140	..	23,140	Cr. 5,246
Research Station, Scoresby .. .. .	..	12,454	471	12,925	41,732	15,651	25,076	82,459	69,534
Research Station, Tatura .. .. .	..	13,355	621	13,976	90,517	38,337	151,613	280,467	266,491
Potato Research Station, Healesville	2,318	21,361	1,124	24,803	81,735	42,278	27,301	151,314	126,511
Potato Research Station, Healesville, Stock Trading Account .. .. .	..	5,234	1,624	6,858	60,358	14,658	36,194	111,210	104,352
Viticultural Station, Rutherglen .. .. .	..	5,879	..	5,879	..	2,975	..	2,975	Cr. 2,904
Research Station, Rutherglen .. .. .	..	8,521	720	9,241	49,846	5,372	5,992	61,210	51,969
Research Station, Rutherglen, Stock Trading Account	3,070	26,998	4,451	34,519	92,884	28,806	13,157	134,847	100,328
Research Farm, Werribee .. .. .	..	58,752	..	58,752	..	27,051	..	27,051	Cr. 31,701
Mallee Research Station, Walpeup	12,466	11,991	11,755	36,212	167,003	79,511	29,042	275,556	239,344
Mallee Research Station, Walpeup, Stock Trading Account .. .. .	..	43,948	..	43,948	..	21,838	..	21,838	Cr. 22,110
Tobacco Research Station, Myrtleford	2,864	13,127	4,842	20,833	53,080	17,004	4,900	74,984	54,151
Tobacco Research Station, Myrtleford, Stock Trading Account .. .. .	..	9,696	..	9,696	..	2,182	..	2,182	Cr. 7,514
Pastoral Research Station, Hamilton .. .. .	..	..	1,362	1,362	7,309	3,436	1,717	12,462	11,100
Pastoral Research Station, Hamilton, Stock Trading Account .. .. .	..	9,181	..	9,181	..	6,697	..	6,697	Cr. 2,484
Irrigation Research Station, Kyabram .. .. .	..	35,000	2,990	37,990	73,697	39,539	38,825	152,061	114,071
Irrigation Research Station, Kyabram, Stock Trading Account .. .. .	..	66,460	..	66,460	..	64,814	..	64,814	Cr. 1,646
Veterinary Institute, "Attwood", Broadmeadows .. .. .	..	25,701	1,797	27,498	54,326	13,285	14,839	82,450	54,952
	..	16,142	..	16,142	..	12,107	..	12,107	Cr. 4,035
	..	796	595	1,391	48,554	54,058	12,429	115,041	113,650
<i>Carried Forward</i>	180,800	750,395	83,631	1,014,826	2,260,720	1,082,074	1,302,173	4,644,967	3,630,141

APPENDIX A.—*continued.*

	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.	
<i>Brought Forward.</i>	\$ 180,800	\$ 750,395	\$ 83,631	\$ 1,014,826	\$ 2,260,720	\$ 1,082,074	\$ 1,302,173	\$ 4,644,967	\$ 3,630,141
Vegetable Research Station, Frankston ..	..	1,149	821	1,970	23,506	8,072	3,810	35,388	33,418
Wheat Research Institute, Horsham ..	..	..	..	..	22,110	4,425	2,176	28,711	28,711
Veterinary Diagnostic Laboratory, Hamilton	84	..	2,478	2,562	29,165	29,595	96,411	155,171	152,609
	180,884	751,544	86,930	1,019,358	2,335,501	1,124,166	1,404,570	4,864,237	3,844,879

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

The above statement does not include payments to Consolidated Fund of \$159,000, being surplus funds in the following Stock Trading Accounts :—Agricultural College Dookie, \$60,000 ; Dairy College Glenormiston, \$12,000 ; Longerenong Agricultural College, \$10,000 ; Pastoral Research Station Hamilton, \$35,000 ; Research Station Rutherglen, \$25,000 ; Research Farm Werribee, \$6,000 ; Mallee Research Station Walpeup, \$4,000 ; Irrigation Research Station Kyabram, \$2,000 ; Potato Research Station Healesville, \$5,000.

APPENDIX B-1.

ENDOWMENTS AND GRANTS.

	1970-71.	1971-72.	+ Increase - Decrease
Social—	\$	\$	\$
Alcoholism Foundation of Victoria	10,800	12,000	+ 1,200
Alexander Miller Memorial Homes Trust	5,000	5,000	..
Australia Day Council	2,500	3,500	+ 1,000
Australian Amateur Rowing Council 3rd World Rowing Championship Appeal (Victorian Division)	1,000	..	- 1,000
Australian Red Cross Society for After-care Treatment of Poliomyelitis Sufferers	20,000	20,000	..
Ballarat Youth Centre	1,600	1,600	..
Bendigo Rotary Club Youth Camp	1,000	1,000	..
Boys' Employment Movement	9,000	9,200	+ 200
Boy Scouts Association	4,000	4,000	..
Bush Nursing	430,700	475,000	+ 44,300
Children's Welfare Association of Victoria	500	500	..
Family Life Movement of Australia	1,500	1,500	..
Family Planning Association of Australia	7,000	7,000	..
First Conference of the Commonwealth Pharmaceutical Association, Melbourne 1972 .. .. .	..	5,000	+ 5,000
Girl Guides Association	4,000	4,000	..
Hanover Centre	5,000	7,000	+ 2,000
International Symposium on Glomerulonephritis, Mel- bourne, 1972 .. .. .	..	5,000	+ 5,000
Lord Mayor's Children's Camp Fund	10,000	10,000	..
Marriage Guidance Council of Victoria	2,000	2,000	..
Moreland Hall Alcoholism Rehabilitation Centre .. .. .	..	10,000	+ 10,000
National Fitness Council	47,000	52,000	+ 5,000
National Safety Council	30,000	30,000	..
Over Fifties Association	800	800	..
Playgrounds and Recreation Association of Victoria	12,000	12,000	..
Probation Officers' Association	800	..	- 800
Royal Humane Society of Australasia	200	200	..
Royal Life Saving Society of Victoria	14,000	14,000	..
St. John Ambulance Brigade	10,000	10,000	..
Salvation Army	1,000	1,000	..
Science and Technology Careers Bureau	4,000	3,624	- 376
State Relief Committee	63,500	71,800	+ 8,300
Surf Life Saving Association of Australia	16,000	16,000	..
Third National Clean Air Conference, Melbourne, 1972 .. .. .	..	5,000	+ 5,000
United Nations Association of Australia	1,000	1,000	..
Victoria Amateur Swimming Association	2,000	2,000	..
Victorian Council of Social Services	10,000	13,000	+ 3,000
Victorian Council on the Ageing	3,000	5,000	+ 2,000
Victorian Cytology (Gynaecological) Service	147,000	180,000	+ 33,000
Victorian Family Council	3,000	3,000	..
Victorian Nursing Council	22,000	22,000	..
Walter and Eliza Hall Research Institute	100,000	100,000	..
Young Christian Workers Movement	2,000	2,000	..
Young Farmers' Clubs Association	61,213	67,400	+ 6,187
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	63,350	76,026	+ 12,676
Country Free Libraries	18,000	18,000	..
Cultural Development	377,780	493,530	+ 115,750
Melbourne Symphony Orchestra	95,000	75,000	- 20,000
Municipal and Regional Libraries	1,595,749	1,706,100	+ 110,351
Orchestral Concerts	33,129	41,083	+ 7,954
State Concert Orchestra	2,300	2,300	..
Sundry—			
Animal Welfare League	1,000	1,000	..
Australian Industrial Design Council	7,500	7,500	..
Ballarat Fish Acclimatization Society	2,400	2,400	..
British Commonwealth Day Movement	500	500	..
British Commonwealth Youth Sunday	6,000	6,000	..
British Memorial Foundation	200	200	..

ENDOWMENTS AND GRANTS—*continued.*

	1970-71.	1971-72.	+Increase -Decrease
Sundry— <i>continued</i>	\$	\$	\$
Cemeteries, Improvement and Maintenance	11,040	13,800	+ 2,760
Citizens' Advice Bureau	2,500	2,500	..
Commonwealth Parliamentary Association—Victoria Branch	44,500	29,200	- 15,300
Council for Christian Education in Schools	40,000	40,000	..
Guide Dog Owners and Friends Association	1,000	1,000	..
Keep Australia Beautiful Council	25,000	25,000	..
Kerang Agricultural Research Farm	2,000	2,000	..
Macalister Research Farm Co-operative Ltd.	2,000	2,000	..
Melbourne Medical Post-Graduate Committee	4,000	4,000	..
Murray Valley Development League	2,000	2,000	..
National Council of Women of Victoria	3,000	3,000	..
National Trust of Australia (Victoria)	12,000	12,000	..
Natural Resources Conservation League	10,000	10,000	..
Nurses Memorial Centre	5,500	5,500	..
Royal Institute of Public Administration	500	500	..
Royal Society for the Prevention of Cruelty to Animals	1,500	4,500	+ 3,000
Standards Association of Australia	5,500	5,500	..
Swan Hill Irrigators' Research Committee	3,000	..	- 3,000
Timber Promotion Committee	25,000	25,000	..
Trustees, Shrine of Remembrance	5,000	5,000	..
Victorian Field and Game Association	1,200	1,200	..
Victorian Piscatorial Council	2,780	2,780	..
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	100	..
Zoological Board of Victoria	23,000	23,000	..
Total	3,536,441	3,879,643	+ 343,202

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, 1971-72.

	\$
All Nations Together Society	100
Ararat Golden Gateway Festival	300
Ararat Music Club	200
Arts Council of Australia (Victoria Division)	15,000
Astra Chamber Music Society	1,500
Australian Boys Choir	200
Australian Elizabethan Theatre Trust	300,000
Australian National Theatre Limited	30,000
Ballarat Begonia Festival Committee	2,400
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 Players' Club	100
Beechworth Music Group	100
Bendigo Competitions Society	1,750
Bendigo Music Advancement Society	500
Bendigo Music Lovers' Club	200
Bendigo Operatic Society	200
Bendigo Shakespeare Literary Society	50
Brunswick City Choral Society	50
Camberwell City Philharmonic Society	200
Camberwell Music Society	100
Camperdown Musical Society	300
Camperdown Repertory Society	200
"Carols by Candlelight", Melbourne	1,000
Casterton Music Circle	100
Children's Arena Theatre	10,000
Children's Theatre Guild	1,000
Cohuna Players	50
Colac Music Lovers' Club	150
Contemporary Art Society of Australia	300
Dandenong Festival of Music and Art for Youth	2,750
Daylesford Highland Gathering Committee	1,000
Doncaster-Templestowe Repertory Group	50
Eaglehawk Dahlia and Arts Festival	250
Euroa Little Theatre	50
Eltham Little Theatre	150
Fellowship of Australian Writers	1,000
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
Geelong Association of Music and Art	1,500
Geelong Society of Operatic and Dramatic Art	500
Gilbert and Sullivan Society of Victoria	100
Hamilton Arts Council	600
Hartwell Eisteddfod Committee	300
Heathcote Musical Society	50
Heidelberg City Choir	100
Heidelberg City Repertory Group	400
Horsham Arts Council	400
Horsham Orchestral Society	50
Kerang Music Society	50
Kew Philharmonic Society	150
Kyneton Drama Group	50
Kyneton Lions Club Music and Drama Festival	400
Latrobe Light Opera Society	100
Latrobe Valley Eisteddfod	600
Library Week Committee	200
Malvern Arts Council	100
Maroondah Players	50
Maroondah Singers	50
Maryborough Arts Society	500
Melba Memorial Conservatorium of Music	5,000
Mentone—Mordialloc Art Group	50
Metropolitan Choristers	50

APPENDIX B-2—continued.

	\$
Mildura Little Theatre	50
Mitcham Repertory Group	50
Moe City Choir	50
Moomba Festival	12,000
Moorabbin City Theatre Group	100
Mordialloc City Choral Society	200
Mordialloc Eisteddfod	150
Morwell Art Group	50
Morwell Male Choir	50
Morwell Players	100
Musica Viva Society of Australia	4,000
National Theatre Movement (Ballarat Branch)	600
National Theatre Movement (Swan Hill Branch)	600
Newtown and Chilwell Highland Gathering Committee	200
Northcote Dramatic Society	100
Northern Theatre Company	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 Musical Society	50
Red Cliffs Players	50
Ringwood Arts and Crafts	100
Rochester Music and Drama Circle	50
Royal South Street Society	3,000
St. John’s Eisteddfod, Ballarat	250
St. Martin’s Theatre	40,000
Sale Eisteddfod Society	400
Sale Repertory Group	100
Sandringham Symphony Orchestra	200
Seymour Music Club	100
Shepparton Dramatic Society	100
Shepparton Light Music Company	100
Shepparton Musical Advancement Society	300
Shepparton Symphony Orchestra	430
Sherbrooke Art Society	50
South Gippsland Eisteddfod	100
South Melbourne City Philharmonic Society	50
Strathmore Theatrical Arts Group	100
Traralgon Music, Drama and Art Society	300
Victorian Artists Society	1,000
Victorian Ballet Guild	17,000
Victorian Drama League	3,500
Victorian Highland Pipe Band Association	1,500
Victorian Opera Company	17,000
Wangaratta Arts Council	1,500
Wangaratta Eisteddfod Society	50
Wangaratta Players	100
Warracknabeal Music Club	50
Warrandyte Arts Association	300
Warrnambool Music Society	100
Warrnambool Theatre Group	200
Wendouree Arts Council	50
Western Philharmonic Society	100
Westernport Light Opera Company	100
Williamstown Light Opera Company	200
Williamstown Little Theatre Movement	300
Wimmera Eisteddfod	50
Yallourn Madrigal Singers	50
Yallourn Orchestral and Choral Society	200
TOTAL	493,530

APPENDIX C.

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

Department or Public Authority.	Nature of Stores.	Value as at 30th June, 1971.	Value as at 30th June, 1972.
		\$	\$
Departments—			
Agriculture	Machinery and Equipment Parts, Fuel, Seed, Publications	221,321	241,772
Chief Secretary—			
(a) Police Branch	Radio and Vehicle Parts, Clothing, Office Requisites	416,764	491,831
(b) Fisheries and Wildlife Branch	Publications, Motor Tyres, Field Equipment ..	19,060	25,022
Crown Lands and Survey	Implements, Equipment, Plans, Photographic Materials	1,662,937	1,616,943
Education	School and Office Requisites, Books, Equipment	1,120,004	1,072,967
Forests	Vehicle Parts, Tools, Fuel	288,689	208,999
Health	Hardware, Instruments, Drugs	56,810	58,859
Mental Health Authority	Bedding, Hardware, Clothing	885,284	823,147
Mines	Bore Casing, Tools, Chemicals	404,480	385,900
Public Works	Mechanical and Electrical Equipment, Spare Parts, Furniture, Building Materials	1,215,021	1,091,605
Railways	Engineering, Refreshment Services, General Stores	9,309,243	9,230,995
Social Welfare	Clothing, Hardware, Materials	344,385	362,102
Treasurer—Government Printer	Paper, Stationery, Publications	1,330,159	1,534,246
Water Supply	Machinery Parts, Tools, General Stores ..	2,474,178	2,131,373
Public Authorities—			
Cancer Institute	Medical, Technical and General Stores ..	76,821	81,095
Council of Adult Education	Theatrical Equipment	15,250	16,506
Country Fire Authority	Fire Appliances, Hose, Spare Parts, Uniforms	223,716	138,656
Country Roads Board	Vehicle Parts and Accessories, Camping Equipment, General Stores	1,166,181	1,182,117
Egg and Egg Pulp Marketing Board	Eggs, Packing Materials, Spare Parts ..	629,378	890,523
Gas and Fuel Corporation	Gas Appliances, Fittings, General Stores ..	3,833,199	4,183,537
Geelong Harbor Trust	Engineering and Maintenance Stores ..	41,024	42,464
Housing Commission	Building Materials, Stationery	491,111	376,743
La Trobe University	Stationery, Office Requisites	20,903	21,377
Latrobe Valley Water and Sewerage Board..	Construction Materials, Pipes, Spare Parts ..	13,489	13,099
Melbourne and Metropolitan Board of Works	Engineering Stores, Spare Parts, Pipes, Meters	3,767,400	3,456,000
Melbourne and Metropolitan Tramways Board	Engineering Stores and Parts, Uniforms, Stationery	710,892	933,708
Melbourne Harbor Trust	Maintenance and Engineering Stores ..	726,417	844,177
Metropolitan Fire Brigades Board.. .. .	Fire Appliances, Electrical and Engineering Stores, Uniforms	326,000	295,000
Monash University	Building Materials, Stationery, Books ..	264,466	322,713
Portland Harbor Trust	Maintenance and Engineering Stores ..	61,572	67,987
Rural Finance and Settlement Commission..	Constructional and General Stores	15,053	8,847
State Electricity Commission	Electrical, Maintenance and Constructional Stores	9,154,050	9,864,567
State Relief Committee	Clothing, Bedding, Hardware, Provisions ..	53,381	48,530
Transport Regulation Board	Stationery and Office Requisites	49,924	45,019
University of Melbourne	Building Materials, Stationery	66,686	75,178
Victorian Inland Meat Authority	Meat, General Stores	903,873	877,343
	Total	42,359,121	43,060,947

APPENDIX D.

EDUCATION DEPARTMENT

Comparative Analysis of Expenditure from the Consolidated Fund, &c.

NOTE:—1971-72 shown in heavy type.
1970-71 shown in light type.

Expenditure	Adminis- tration	Teachers Tribunal	Primary Schools	Secondary Schools	Technical Schools	Special Schools and Hostels Attached There-to	Corres- pondence Schools	Special Activities (Library, Music, Visual Education, &c.)	Teachers' Colleges	Teachers' Colleges Hostels	Universi- ties and Colleges of Advanced Education	Independ- ent Schools	Miscel- laneous	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Salaries—Teaching Service	1,743,883 1,509,125	..	85,651,387 72,059,809	58,402,997 49,770,281	35,856,950 27,451,801	3,576,740 2,853,762	798,497 739,220	5,173,505 3,997,167	8,871,763 6,874,636	9,205 9,356	..	..	..	200,084,927 165,265,157
Salaries—General Administration and Clerical Assistance	2,169,355 1,927,935	166,851 120,107	144,998 110,966	1,484,264 1,438,865	..	22,894 33,631	67,517 67,497	279,626 215,344	291,285 254,323	59,818 54,004	..	..	..	4,886,608 4,222,672
Pay-roll Tax	120,420 82,360	5,262 2,952	2,773,640 1,816,917	1,989,660 1,320,239	1,136,704 667,333	117,932 73,171	27,088 18,927	172,168 103,380	318,863 179,353	522 14,467	..	..	..	6,662,259 4,279,099
Workers' Compensation Insurance	25,210 21,128	1,101 757	580,646 466,119	416,524 338,697	237,963 171,198	24,689 18,771	5,671 4,855	36,043 26,521	199,322 156,649	109 3,711	..	..	..	1,527,278 1,208,406
Allowances—Students in Training	..	..	..	..	..	..	..	..	20,089,881 17,545,378	..	..	..	..	20,089,881 17,545,378
Travelling Expenses and Allowances, &c.	164,489 134,017	2,243 2,189	146,996 94,248	289,191 64,126	178,377 125,403	20,513 19,416	2,127 1,693	210,566 173,488	84,689 56,080	..	..	499 555	..	1,099,690 671,215
Libraries—Grants and Subsidies	..	..	64,687 66,153	5,227 6,814	3,000 3,000	..	18	26,307 37,804	163,888 110,000	..	..	..	..	263,127 223,809
School and Office Equipment and Requisites	228,644 201,524	3,242 2,194	359,934 336,134	901,617 874,563	23,282 9,102	59,556 44,831	84,563 122,197	320,728 263,030	328,062 239,868	..	..	46,736 45,109	..	2,356,470 2,138,552
Text Books, Publications, Examination Expenses, Postage and Telephone Expenses, Incidentals	415,370 393,341	4,824 4,506	5,561 10,752	13,123 2,664	71,592 101,517	4,779 8,078	19,978 17,038	306,673 254,464	65,861 67,084	..	60 7,594	..	..	907,871 867,038
School Cleaning and Services	351 3,033	..	4,701,815 4,148,835	4,614,791 4,100,694	6,506 15,689	128,240 119,212	14,523 13,567	36,897 23,002	442,920 327,696	..	..	..	..	9,946,043 8,751,728
Conveyance of Pupils	..	..	2,417,657 2,627,446	3,894,264 3,476,015	1,822,256 1,399,511	161,713 179,570	..	9,549 7,384	..	..	..	..	..	10,411,607 9,473,009
Bursaries, Scholarships and Maintenance Allowances	3,896	..	2,908 2,331	1,485,777 1,421,160	601,910 547,203	5,367 4,417	733 544	5,173 5,473	21,132 12,048	..	17,100 19,771	..	..	3,409,397 3,287,940
International Teaching Fellowships	..	..	..	507,281 338,003	160,200 122,275	..	..	..	10,650 5,975	..	..	..	..	678,131 466,253
Operating Costs—Hostels and Residential Camps	..	..	..	..	..	41,703 24,211	..	79,597 57,914	..	989,242 909,345	..	..	..	1,110,542 991,470
Buildings, Sites, &c.—Capital Expenditure	29,898 190,646	..	12,511,227 13,977,912	8,823,992 11,053,592	14,089,592 6,376,442	104,494 476,378	..	715,639 145,735	1,259,271 1,858,916	31,390 157,356	..	..	..	37,568,988 34,238,500
Buildings, Sites, &c.—Maintenance Expenditure	18,033 17,672	..	2,842,409 2,762,614	1,283,424 1,531,493	537,613 474,549	17,675 20,851	39,741 40,167	18,357 5,736	334,833 329,126	86,679 42,223	..	..	..	5,178,764 5,224,431
Grants, &c.	252,391 228,566	..	2,213,445 2,206,143	822,175 820,890	15,850,315 14,089,006	31,412 37,307	175 350	46,087 34,862	220,000 180,600	..	47,126,475 41,430,420	8,505,885 5,977,612	..	75,068,360 65,005,756

APPENDIX E.

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

Particulars.	Vote.			Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase - Decrease
	Division.	Sub-Division.	Item.			
PARLIAMENT.				\$	\$	\$
LEGISLATIVE ASSEMBLY	2	1	2	190,700	191,786	+ 1,086
			4	7,000	5,914	- 1,086
		2	1	2,500	2,732	+ 232
			2	1,800	1,587	- 213
			3	6,500	6,481	- 19
LEGISLATIVE COUNCIL AND LEGISLATIVE ASSEMBLY HOUSE COMMITTEE	3	1	1	75,700	78,134	+ 2,434
			2	3,300	3,791	+ 491
			3	5,300	2,375	- 2,925
PREMIER.						
GOVERNOR'S OFFICE	7	1	1	86,200	87,460	+ 1,260
			2	11,000	9,740	- 1,260
		2	1	20	282	+ 262
			5	5,700	7,472	+ 1,772
			6	13,000	10,966	- 2,034
PREMIER'S OFFICE	8	2	1	15,350	17,384	+ 2,034
			2	11,860	11,035	- 825
			3	13,590	13,584	- 6
			4	10,000	9,673	- 327
			5	66,600	59,948	- 6,652
			6	4,000	3,968	- 32
			7	32,000	39,780	+ 7,780
			8	14,500	12,528	- 1,972
STATE FILM CENTRE	9	1	1	102,300	103,446	+ 1,146
			2	5,000	3,854	- 1,146
		2	5	1,550	1,850	+ 300
			6	60,000	59,700	- 300
SOIL CONSERVATION AUTHORITY	10	1	1	820,200	818,932	- 1,268
			3	6,000	7,268	+ 1,268
		2	1	23,000	25,818	+ 2,818
			2	8,500	8,473	- 27
			3	22,800	20,905	- 1,895
			4	21,000	20,826	- 174
			5	26,700	26,610	- 90
			6	1,000	952	- 48
			7	3,000	2,416	- 584
PUBLIC SERVICE BOARD	12	2	1	7,500	8,213	+ 713
			3	98,000	94,787	- 3,213
			4	2,600	3,000	+ 400
			5	1,800	3,900	+ 2,100
PUBLIC SERVICE BOARD ELECTRONIC DATA PROCESSING SERVICE BUREAU	13	2	1	1,750	2,361	+ 611
			2	77,390	76,779	- 611
AUDIT OFFICE	14	1	1	669,500	671,122	+ 1,622
			2	3,800	2,178	- 1,622
		2	1	30,000	30,288	+ 288
			2	3,000	2,471	- 529
			3	900	844	- 56
			4	500	497	- 3
			5	2,600	2,900	+ 300
CHIEF SECRETARY.						
CHIEF SECRETARY'S OFFICE	15	1	2	279,000	279,008	+ 8
			3	5,000	4,992	- 8
TOTALIZATOR ADMINISTRATION	16	2	1	9,200	9,300	+ 100
			2	800	750	- 50
			3	1,850	1,800	- 50
FISHERIES AND WILDLIFE	20	1	1	771,000	771,312	+ 312
			2	5,500	6,177	+ 677
			3	5,000	4,011	- 989
		2	2	17,000	13,350	- 3,650
			6	17,000	20,650	+ 3,650
GOVERNMENT SHORTHAND WRITER	21	2	1	900	489	- 411
			2	750	977	+ 227
			3	7,500	7,694	+ 194
			4	250	240	- 10
GOVERNMENT STATIST	22	1	1	519,800	522,224	+ 2,424
			2	28,000	24,920	- 3,080
			3	6,000	6,656	+ 656
		2	1	4,500	3,912	- 588
			2	40,000	39,998	- 2
			3	3,000	2,962	- 38
			4	21,000	21,628	+ 628

APPENDIX E.—continued.

Particulars.	Vote.			Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase - Decrease
	Division.	Sub- Division.	Item.			
POLICE	23			\$	\$	\$
		1	1	35,123,000	35,191,857	+ 68,857
			2	740,000	645,688	- 94,312
			3	450,000	475,455	+ 25,455
		2	1	730,000	735,428	+ 5,428
			2	290,000	289,990	- 10
			3	315,000	300,291	- 14,709
			6	312,000	357,000	+ 45,000
			7	309,000	269,532	- 39,468
			11	10,000	13,550	+ 3,550
			12	6,000	5,959	- 41
			13	200	450	+ 250
STATE LIBRARY, NATIONAL MUSEUM AND SCIENCE MUSEUM ADMINISTRATION	25	2	2	500	600	+ 100
			3	14,000	17,500	+ 3,500
			5	33,000	29,500	- 3,500
			6	6,600	6,500	- 100
STATE LIBRARY	26					
		1	1	753,500	772,949	+ 19,449
			2	46,000	24,556	- 21,444
			3	1,000	2,995	+ 1,995
		2	1	3,500	3,770	+ 270
			5	750	480	- 270
SCIENCE MUSEUM	28	2	2	900	1,100	+ 200
			6	12,000	11,800	- 200
NATIONAL GALLERY	29					
		1	1	612,000	623,765	+ 11,765
			2	79,400	67,760	- 11,640
			3	5,000	4,875	- 125
SOCIAL WELFARE.						
SOCIAL WELFARE ADMINISTRATION AND RESEARCH AND STATISTICS	30					
		1	2	383,700	387,354	+ 3,654
			3	19,000	17,137	- 1,863
			4	5,000	3,209	- 1,791
		2	1	8,500	7,150	- 1,350
			4	11,000	12,350	+ 1,350
FAMILY WELFARE	31					
		1	1	2,079,100	2,089,929	+ 10,829
			2	364,000	353,683	- 10,317
			3	10,000	9,488	- 512
		2	1	59,500	54,953	- 4,547
			2	8,000	4,152	- 3,848
			3	40,200	34,621	- 5,579
			4	24,000	31,300	+ 7,300
			5	18,800	16,332	- 2,468
			6	47,000	55,100	+ 8,100
			7	415,000	413,069	- 1,931
			8	2,376,000	2,432,189	+ 56,189
			9	2,670,000	2,594,284	- 75,716
			10	359,000	381,500	+ 22,500
		3	1	3,500	3,000	- 500
			2	6,000	6,500	+ 500
YOUTH WELFARE.. .. .	32					
		1	1	1,524,800	1,558,304	+ 33,504
			2	365,000	324,325	- 40,675
			3	3,000	10,171	+ 7,171
		2	1	31,500	37,004	+ 5,504
			5	18,200	21,700	+ 3,500
			7	452,000	442,996	- 9,004
PRISONS.. .. .	33					
		2	1	26,700	28,065	+ 1,365
			2	4,800	4,612	- 188
			3	850	474	- 376
			4	22,000	24,750	+ 2,750
			5	54,500	45,489	- 9,011
			6	145,000	178,000	+ 33,000
			7	525,000	524,951	- 49
			8	285,000	256,603	- 28,397
			9	265,000	265,906	+ 906
TRAINING	34	1	1	124,400	125,868	+ 1,468
			2	3,000	1,532	- 1,468
PROBATION AND PAROLE	35					
		1	1	385,200	386,837	+ 1,637
			2	62,000	58,619	- 3,381
			3	6,000	7,744	+ 1,744
LABOUR AND INDUSTRY.						
LABOUR AND INDUSTRY	36					
		1	2	1,532,800	1,545,342	+ 12,542
			3	14,200	13,845	- 355
			4	20,000	7,813	- 12,187
		2	1	74,800	74,905	+ 105
			2	96,000	96,060	+ 60
			4	48,000	47,940	- 60
			7	15,900	15,795	- 105
		3	1	5,000	4,908	- 92
			2	2,100	2,461	+ 361
			4	550	328	- 222
			5	2,250	2,967	+ 717
			6	60,000	62,799	+ 2,799
			7	1,000	843	- 157
			8	53,950	50,544	- 3,406

APPENDIX E.—continued.

Particulars.	Vote.			Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase - Decrease
	Division.	Sub- Division.	Item.			
				\$	\$	\$
EDUCATION.						
EDUCATION	37	2	1	693,000	797,887	+ 104,887
			2	701,600	552,199	- 149,401
			3	251,000	261,735	+ 10,735
			4	28,000	25,534	- 2,466
			5	1,616,900	1,616,295	- 605
			6	1,948,000	1,971,103	+ 23,103
			8	505,000	505,076	+ 76
			9	165,000	170,578	+ 5,578
			10	263,000	263,128	+ 128
			11	114,500	121,590	+ 7,090
			12	7,000	7,875	+ 875
		3	2	4,500,000	4,615,000	+ 115,000
			3	20,600,000	20,742,337	+ 142,337
			4	10,400,000	10,399,313	- 687
			5	3,400,000	3,399,210	- 790
			6	1,000,000	1,023,898	+ 23,898
			8	650	645	- 5
			9	1,200	542	- 658
			10	90,000	79,598	- 10,402
			11	7,500	3,253	- 4,247
			12	12,800	14,628	+ 1,828
			13	13,000	7,856	- 5,144
			16	176,000	183,072	+ 7,072
			18	13,800	19,320	+ 5,520
			23	950,000	678,131	- 271,869
			24	21,000	19,147	- 1,853
TEACHERS TRIBUNAL	38	1	1	52,200	53,108	+ 908
			2	1,750	842	- 908
ATTORNEY-GENERAL.						
ATTORNEY-GENERAL	39	1	2	1,272,800	1,283,573	+ 10,773
			3	21,500	19,054	- 2,446
			4	10,000	1,673	- 8,327
		2	1	18,400	20,892	+ 2,492
			3	37,000	36,974	- 26
			4	10,500	11,425	+ 925
			5	4,700	2,293	- 2,407
			7	200,000	201,355	+ 1,355
			9	32,000	31,968	- 32
			10	4,000	1,693	- 2,307
COURTS ADMINISTRATION	40	2	1	165,000	165,740	+ 740
			3	82,000	81,986	- 14
			5	5,500	4,919	- 581
			6	91,500	91,357	- 143
			7	11,000	10,998	- 2
REGISTRAR-GENERAL AND REGISTRAR OF TITLES ..	41	1	1	1,823,500	1,829,497	+ 5,997
			3	10,000	4,003	- 5,997
		2	3	70,000	68,515	- 1,485
			4	15,100	16,485	+ 1,385
			5	1,150	1,250	+ 100
REGISTRAR OF COMPANIES	42	1	1	453,500	459,902	+ 6,402
			2	9,000	7,598	- 1,402
			3	5,000	5,000	-
		2	1	6,000	5,492	- 508
			2	19,000	19,508	+ 508
PUBLIC TRUSTEE	44	1	1	756,900	776,550	+ 19,650
			2	32,000	16,820	- 15,180
			3	5,000	530	- 4,470
		2	1	4,300	3,750	- 550
			2	14,500	13,029	- 1,471
			3	11,500	11,475	- 25
			4	19,700	20,250	+ 550
			6	460	1,956	+ 1,496
TREASURER.						
TREASURY	45	2	1	4,000	4,159	+ 159
			2	10,800	10,265	- 535
			3	2,400	2,870	+ 470
			5	2,250	2,156	- 94
		3	1	5,000	300	- 4,700
			2	2,000	1,868	- 132
			3	297,600	293,909	- 3,691
			4	160,000	179,343	+ 19,343
			6	4,250	5,906	+ 1,656
			7	90,000	78,959	- 11,041
			8	25,000	18,494	- 6,506
			9	7,500	7,464	- 36
			10	3,500	3,162	- 338
			11	6,000	6,109	+ 109
			12	13,750	13,736	- 14

APPENDIX E.—continued.

Particulars.	Vote.			Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase - Decrease
	Division.	Sub- Division.	Item.			
TREASURY—continued.	45	3	13	\$ 5,000	\$ 52,500	+ 47,500
			14	44,000	44,350	+ 350
			16	166,000	170,898	+ 4,898
			19	1,250	807	- 443
			20	28,000	34,452	+ 6,452
			22	5,000	3,517	- 1,483
			23	4,500	4,460	- 40
			24	75,000	82,931	+ 7,931
			29	380,000	493,530	+ 113,530
			31	6,000	3,690	- 2,310
			35	500,000	331,644	- 168,356
			36	7,900,000	7,682,220	- 217,780
			37	350,000	489,872	+ 139,872
			38	2,500,000	2,575,029	+ 75,029
			47	9,000	9,200	+ 200
TENDER BOARD	46	1	1	29,030	28,726	- 304
			2	1,000	1,304	+ 304
STATE SUPERANNUATION BOARD	47	1	1	216,900	217,084	+ 184
			2	37,000	36,816	- 184
		2	1	4,000	5,650	+ 1,650
			3	114,000	104,099	- 9,901
			4	36,500	44,751	+ 8,251
		3	1	2,800	2,806	+ 6
			2	2,200	2,194	- 6
REGISTRY OF CO-OPERATIVE HOUSING SOCIETIES AND CO-OPERATIVE SOCIETIES AND HOME FINANCE ADMINISTRATION	48	1	1	198,100	197,279	- 821
			2	2,700	3,150	+ 450
			3	200	571	+ 371
		2	1	6,300	4,471	- 1,829
			2	3,500	4,706	+ 1,206
			3	500	720	+ 220
			4	3,600	4,003	+ 403
TAXATION OFFICE	49	2	1	250	330	+ 80
			2	29,000	28,920	- 80
STAMP DUTIES	50	1	1	589,000	592,663	+ 3,663
			2	40,000	33,621	- 6,379
			3	5,000	7,716	+ 2,716
		2	3	17,000	16,889	- 111
			5	700	811	+ 111
GOVERNMENT PRINTER	51	1	1	1,858,100	1,911,865	+ 53,765
			2	230,000	176,235	- 53,765
LANDS.						
CROWN LANDS ADMINISTRATION	52	1	2	1,950,000	1,950,193	+ 193
			3	14,500	14,307	- 193
		2	1	153,000	153,228	+ 228
			2	24,000	20,572	- 3,428
			3	20,000	20,700	+ 700
			4	39,500	41,200	+ 1,700
			5	4,000	4,800	+ 800
		3	2	7,000	5,736	- 1,264
			5	12,000	11,992	- 8
			6	400	202	- 198
			7	37,500	38,997	+ 1,497
			8	12,750	12,723	- 27
SURVEY	53	1	1	1,448,000	1,457,098	+ 9,098
			2	7,000	5,957	- 1,043
			3	15,000	6,945	- 8,055
		2	1	124,600	125,168	+ 568
			2	13,000	12,892	- 108
			3	1,200	986	- 214
			4	1,250	1,052	- 198
			6	250	202	- 48
		3	1	126,000	125,994	- 6
			3	450	338	- 112
			4	14,300	14,418	+ 118
BOTANIC AND DOMAIN GARDENS AND NATIONAL HERBARIUM	54	2	2	6,000	5,067	- 933
			6	4,400	5,333	+ 933
PUBLIC WORKS.						
PUBLIC WORKS	55	2	1	226,000	240,657	+ 14,657
			2	130,000	127,351	- 2,649
			3	56,000	44,033	- 11,967
			4	67,000	66,959	- 41
		3	3	460,000	457,000	- 3,000
			7	18,200	21,200	+ 3,000
PORTS AND HARBORS	56	1	1	526,600	526,621	+ 21
			2	17,500	19,030	+ 1,530
			3	10,000	8,449	- 1,551
		3	1	106,500	106,470	- 30
			3	52,000	56,000	+ 4,000
			5	28,000	26,500	- 1,500
			7	850,000	848,889	- 1,111
			8	6,500	5,111	- 1,389
			9	27,880	27,910	+ 30

APPENDIX E.—continued.

Particulars.	Vote.			Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase - Decrease
	Division.	Sub- Division.	Item.			
LOCAL GOVERNMENT.				\$	\$	\$
LOCAL GOVERNMENT	57	1	3	11,000	12,895	+ 1,895
			4	5,000	3,105	- 1,895
		2	1	13,600	14,264	+ 664
			3	6,300	6,092	- 208
			4	4,200	5,600	+ 1,400
			5	11,000	9,144	- 1,856
VALUER-GENERAL	58	1	1	482,100	484,600	+ 2,500
			2	800	782	- 18
			3	9,000	6,518	- 2,482
WEIGHTS AND MEASURES	59	1	1	239,700	240,008	+ 308
			2	950	642	- 308
		2	1	23,000	26,274	+ 3,274
			2	3,400	2,587	- 813
			3	1,200	1,115	- 85
			4	3,100	3,450	+ 350
			5	23,650	22,262	- 1,388
			6	4,350	3,012	- 1,338
TOWN AND COUNTRY PLANNING BOARD	60	2	1	8,800	9,171	+ 371
			5	2,200	1,829	- 371
MINES.						
MINES	61	2	1	29,000	29,049	+ 49
			2	13,000	12,993	- 7
			3	39,800	39,793	- 7
			4	6,500	6,493	- 7
			5	32,000	31,988	- 12
			6	4,500	4,484	- 16
		3	2	336,000	337,284	+ 1,284
			4	13,000	14,050	+ 1,050
			6	30,000	27,666	- 2,334
AGRICULTURE.						
AGRICULTURE ADMINISTRATION	64	1	2	1,551,200	1,551,822	+ 622
			3	13,300	12,678	- 622
		2	1	7,300	8,493	+ 1,193
			2	18,600	20,946	+ 2,346
			3	5,000	4,992	- 8
			4	92,000	89,133	- 2,867
			5	5,000	4,485	- 515
			6	3,600	3,598	- 2
			7	1,000	853	- 147
		3	2	30,000	30,597	+ 597
			3	98,000	98,629	+ 629
			4	3,500	2,274	- 1,226
AGRICULTURAL EDUCATION	65	2	1	1,500	1,760	+ 260
			2	850	709	- 141
			3	1,000	881	- 119
AGRICULTURE	66	1	1	1,310,300	1,315,399	+ 5,099
			3	6,500	1,401	- 5,099
		2	1	43,000	50,566	+ 7,566
			2	3,000	2,454	- 546
			3	10,000	5,511	- 4,489
			4	2,000	1,413	- 587
			5	21,600	19,709	- 1,891
			7	40,000	39,947	- 53
		3	1	169,250	169,492	+ 242
			5	500	325	- 175
			7	17,800	17,512	- 288
			8	30,000	30,466	+ 466
			9	37,300	37,055	- 245
HORTICULTURE	67	1	1	1,648,600	1,658,748	+ 10,148
			2	88,000	77,752	- 10,248
			3	25,000	25,100	+ 100
		2	1	54,400	55,738	+ 1,338
			2	3,500	3,419	- 81
			3	16,700	16,387	- 313
			4	3,000	2,996	- 4
			5	24,500	24,289	- 211
			6	3,700	3,059	- 641
			7	2,500	2,412	- 88
		3	1	39,000	39,416	+ 416
			5	22,400	22,189	- 211
			7	21,600	21,258	- 342
			10	9,000	8,690	- 310
			11	8,000	8,447	+ 447
ANIMAL HEALTH	68	1	1	983,300	986,802	+ 3,502
			2	9,000	5,730	- 3,270
			3	12,000	11,768	- 232
		2	1	39,400	39,929	+ 529
			3	2,400	2,384	- 16
			4	5,000	4,905	- 95
			5	41,300	41,256	- 44
			6	50	38	- 12
			7	16,000	15,999	- 1
			10	110,000	109,639	- 361
		3	1	70,000	69,364	- 636
			2	45,000	45,636	+ 636

APPENDIX E.—continued.

Particulars.	Vote.			Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase — Decrease
	Division.	Sub- Division.	Item.			
				\$	\$	\$
ANIMAL INDUSTRY	69					
		1	1	702,500	702,770	+ 270
			2	5,000	4,730	- 270
		2	1	16,000	17,092	+ 1,092
			3	650	643	- 7
			4	850	537	- 313
			5	13,000	12,228	- 772
		3	1	141,000	138,848	- 2,152
			2	87,000	88,677	+ 1,677
			3	18,500	19,751	+ 1,251
			4	3,500	2,724	- 776
DAIRYING	70					
		1	1	1,086,800	1,087,608	+ 808
			2	4,000	3,192	- 808
		2	1	110,000	110,226	+ 226
			3	2,400	2,392	- 8
			4	4,000	3,782	- 218
EXTENSION SERVICES	71					
		1	1	118,200	115,846	- 2,354
			3	5,000	7,354	+ 2,354
		2	1	650	706	+ 56
			2	500	800	+ 300
			3	250	194	- 56
			5	1,600	1,300	- 300
HEALTH.						
HEALTH ADMINISTRATION	72					
		1	2	326,900	333,364	+ 6,464
			4	7,500	7,036	- 464
		2	2	4,500	7,087	+ 2,587
			4	5,150	5,650	+ 500
			6	40,000	36,913	- 3,087
GENERAL HEALTH	73					
		1	1	1,128,900	1,128,985	+ 85
			2	3,400	3,315	- 85
		2	1	28,000	26,676	- 1,324
			2	5,400	5,850	+ 450
			3	8,000	6,647	- 1,353
			4	12,350	13,700	+ 1,350
			5	11,000	11,200	+ 200
			6	5,500	5,498	- 2
			7	203,500	203,842	+ 342
			8	24,000	23,972	- 28
			9	4,000	4,082	+ 82
			10	820	817	- 3
			11	21,000	21,857	+ 857
			12	10,000	10,598	+ 598
			13	3,200	3,091	- 109
			14	5,600	4,606	- 994
			15	2,250	2,280	+ 30
			16	12,500	12,404	- 96
		3	1	225,000	214,307	- 10,693
			2	790,000	801,286	+ 11,286
			4	3,150	3,127	- 23
			5	600	230	- 370
			8	14,000	13,800	- 200
TUBERCULOSIS	74					
		3	2	741,000	787,346	+ 46,346
			3	730,000	683,654	- 46,346
MATERNAL AND CHILD WELFARE	75					
		2	6	21,100	21,613	+ 513
			7	234,000	235,887	+ 1,887
			9	138,700	136,300	- 2,400
		3	1	3,970,000	3,982,500	+ 12,500
			2	310,000	317,652	+ 7,652
			3	785,000	771,178	- 13,822
			5	79,000	72,675	- 6,325
			6	8,000	7,995	- 5
MENTAL HYGIENE	76					
		1	1	22,378,300	22,770,291	+ 391,991
			2	3,216,000	2,867,647	- 348,353
			3	290,000	246,362	- 43,638
		2	1	104,700	89,700	- 15,000
			2	63,500	73,500	+ 10,000
			3	58,200	53,088	- 5,112
			4	172,000	177,000	+ 5,000
			5	98,200	95,682	- 2,518
			6	942,000	949,300	+ 7,300
			7	3,173,000	3,172,957	- 43
			9	25,000	22,500	- 2,500
			10	230,000	232,873	+ 2,873
STATE DEVELOPMENT.						
STATE DEVELOPMENT	77					
		1	2	35,300	36,047	+ 747
			3	3,600	2,853	- 747
		2	1	1,500	900	- 600
			2	2,000	2,600	+ 600
IMMIGRATION	78					
		1	1	89,300	88,886	- 414
			3	2,000	2,414	+ 414
		2	3	1,000	830	- 170
			5	650	820	+ 170
INDUSTRIAL DEVELOPMENT	79					
		2	1	5,000	5,500	+ 500
			3	17,000	15,000	- 2,000
			5	2,700	3,200	+ 500
			6	5,500	6,500	+ 1,000
FUEL AND POWER.						
MINISTRY OF FUEL AND POWER	81					
		2	1	1,000	1,178	+ 178
			2	3,700	3,522	- 178

APPENDIX E.—continued.

Particulars.	Vote.			Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase — Decrease
	Division.	Sub- Division.	Item.			
				\$	\$	\$
TRANSPORT.						
MINISTRY OF TRANSPORT	83	2	1	1,200	792	— 408
			2	2,000	2,543	+ 543
			3	3,000	3,143	+ 143
			5	700	422	— 278
FORESTS.						
FORESTS COMMISSION	84	1	1	3,348,584	3,354,440	+ 5,856
			2	60,000	54,144	— 5,856
		3	1	720,000	721,184	+ 1,184
			7	4,625	3,441	— 1,184
WATER SUPPLY.						
STATE RIVERS AND WATER SUPPLY COMMISSION ..	85	1	1	8,295,200	8,343,340	+ 48,140
			2	30,000	29,989	— 11
			3	280,000	231,871	— 48,129
		2	1	186,000	176,096	— 9,904
			2	96,000	105,260	+ 9,260
			3	106,500	108,907	+ 2,407
			4	74,000	71,890	— 2,110
			5	21,000	24,081	+ 3,081
			6	210,000	220,018	+ 10,018
			7	8,500	8,879	+ 379
			8	120,000	110,226	— 9,774
			9	120,000	115,807	— 4,193
			10	94,000	92,521	— 1,479
			11	70,000	73,375	+ 3,375
			12	503,200	502,140	— 1,060
		3	1	228,000	227,993	— 7
			2	2,440,000	2,422,173	— 17,827
			3	1,275,000	1,302,823	+ 27,823
			4	66,000	64,933	— 1,067
			5	100,000	98,113	— 1,887
			6	88,000	91,714	+ 3,714
			8	1,990,000	1,958,368	— 31,632
			9	245,000	265,617	+ 20,617
			10	3,200	3,487	+ 287
			11	4,500	4,479	— 21
RAILWAYS.						
RAILWAYS	86	1	1	41,817,000	42,431,736	+ 614,736
			3	36,839,000	35,674,136	— 1,164,864
			6	5,020,000	5,027,114	+ 7,114
			9	1,497,000	1,935,966	+ 438,966
			10	3,296,000	3,400,048	+ 104,048

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