
REPORT
OF THE
AUDITOR-GENERAL
FOR THE YEAR ENDED
30th JUNE, 1973

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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, 1973.

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, 1973. 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, 1973. 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 1972-73, the Treasurer estimated that the total receipts to the Consolidated Fund would be \$1,362,305,000. The actual result for the year was a total of \$1,381,153,250 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. 1972-73. \$	Actual. 1972-73. \$	Actual. 1971-72. \$
State Taxation	388,544,000	407,723,380	311,482,565
Other State Sources exc. Railways	184,595,000	188,399,465	174,490,009
Railway Income	114,190,000	110,410,116	111,966,605
Commonwealth Sources exc. Loan Raisings	480,481,000	478,097,662	433,587,583
	1,167,810,000	1,184,630,623	1,031,526,762
Loan Raisings and Repayments	194,495,000	196,522,627	179,361,858
	1,362,305,000	1,381,153,250	1,210,888,620

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. 1972-73. \$	Actual. 1972-73. \$	Actual. 1971-72. \$
Special Appropriation—Debt Charges, Salaries, Pensions, General Expenses, &c.	259,697,137	261,879,771	230,978,175
Annual Vote—Departmental Services exc. Railways	707,875,513	715,410,975	601,217,940
Railway Operating Expenses	151,227,350	156,326,973	148,451,494
	1,118,800,000	1,133,617,719	980,647,609
Special Appropriation—Works and Services Account	243,505,000	247,535,531	230,241,011
	1,362,305,000	1,381,153,250	1,210,888,620

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 \$1,351,841,609. Included in these receipts are amounts to a total of \$217,373,784 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	74,304,215
Health	9,368,276
Housing (inc. Home Builders, repayments and interest)	24,111,750
Primary Production	36,896,638
Road and Other Works	61,483,165
Other	11,209,740
	217,373,784

Payments from Trust Fund totalled \$1,323,668,194 and may be classified under the following broad headings :—

	\$
Commonwealth	212,263,340
Commonwealth-State	1,593,016
Compensation and Insurance	110,294,777
Deposit	437,635
Depreciation	3,666,008
Social, Health and Welfare	114,238,697
Superannuation and Pension	6,500,340
Suspense	402,038,589
Works and Development	346,521,756
Other	126,114,036
	<u>1,323,668,194</u>

More detailed comment in respect of trust account transactions, including those in respect of new accounts, is given at page 27 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, 1972 ..		177,333,877
Receipts—		
Consolidated Fund	1,381,153,250	
Trust Fund	1,351,841,609	
In Reduction of Advances	457,144	
	<u>2,733,452,003</u>	
		<u>2,910,785,880</u>
Payments—		
Consolidated Fund	1,381,153,250	
Trust Fund	1,323,668,194	
	<u>2,704,821,444</u>	
Balance at credit of Public Account 30th June, 1973 ..		<u>205,964,436</u>

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

	\$	\$
Trust Fund Balance		230,895,817
Less Advances from Public Account—		
For Consolidated Revenue Deficits	21,782,281	
For Departmental and Other Purposes	3,149,100	
	<u>24,931,381</u>	
		<u>205,964,436</u>

The balance is represented by—

	\$	\$
Cash at Credit of Public Account	25,918,193	
Fixed Deposit Account	68,500,000	
	<u>94,418,193</u>	
Investments of the Trust Fund		111,546,243
		<u>205,964,436</u>

The net effect of the year's transactions was an increase in the balance to the credit of the Public Account of \$28,630,559 brought about by the rise of \$28,173,415 in the credit balance of the Trust Fund and by the reduction of \$457,144 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, \$1,381,153,250, exceeded the Budget Estimate of \$1,362,305,000 by \$18,848,250.

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

	\$
Taxation	19,179,380
Fees and Charges for Departmental Services	2,701,697
Loan Repayments	2,027,627

The main shortfall in receipts compared with the Budget Estimate occurred in the items :—

	\$
Railways	3,779,884
Commonwealth Payments to State—Grants, etc.	2,383,338

The divergence between the Budget estimate and the actual receipts from Taxation occurred almost wholly in the item of Stamp Duty and related primarily to duty charged on real estate dealings.

The actual receipts to the Consolidated Fund exceeded those of the previous year, \$1,210,888,620, by \$170,264,630. 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	706,528,961
Commonwealth Sources	480,267,522
Loan Raisings and Repayments	194,356,767
	1,381,153,250

Receipts from sources other than the Commonwealth, \$706,528,961, were \$108,610,258 higher than the 1971–72 figure of \$597,918,703, and constituted 51·2 per cent. of the total receipts compared with 49·4 per cent. in the previous year. Those from Commonwealth sources, \$480,267,522, were \$44,740,970 more than in the previous year and represented 34·7 per cent. as against 35·9 per cent. for 1971–72. Loan raisings and repayments yielded \$16,913,402 more than the 1971–72 total of \$177,443,365 and provided 14·1 per cent. of the total receipts compared with 14·7 per cent. in 1971–72.

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

	\$
Payroll Tax	50,419,789
Duty under the Stamps Acts	32,117,798
Recoveries of Debt Charges	4,895,753
Totalizator Commission	4,641,856
Probate Duty	4,331,721

The enhancement of revenue through payroll tax receipts shows the effect of the operation of this tax as a State tax for a full year and its application to payrolls comprising wages paid at a generally increased average rate.

The substantially increased revenue from duty under the Stamps Acts was brought about partly as a result of the application for a complete year of previously increased rates of duty and partly as a result of increased dealings in transactions concerning real estate, registration of motor cars and notices of acquisition of motor cars.

The volume of off-course totalizator business continued to rise and \$4,240,672 of the increased return from totalizator commission related to off-course transactions.

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

	1971-72.	1972-73.	+ Increase. - Decrease.
	\$	\$	\$
Financial Assistance Grant	362,085,040	396,087,449	+ 34,002,409
Capital Assistance Grant	57,590,000	66,810,000	+ 9,220,000
Debt Charges Assistance Grant	5,565,635	8,348,453	+ 2,782,818
Contribution for Interest—Financial Agreement	4,254,318	4,254,318	..
Tuberculosis Arrangement	3,407,704	2,312,198	— 1,095,506
Mental Hospitals—Recoups	827,695	830,550	+ 2,855
Advance—States Grants (Water Resources)	812,500	..	— 812,500
Softwood Forestry Agreement	815,000	842,188	+ 27,188
Grants for Home Care and Nursing Homes	148,184	778,366	+ 630,182
Other	20,476	4,000	— 16,476
	<u>435,526,552</u>	<u>480,267,522</u>	<u>+ 44,740,970</u>

The increase of \$34 million in the Financial Assistance Grant comprised \$14·4 million after making the adjustment to the base grant to allow for the Commonwealth's relinquishment of payroll tax, and adding the further grant under the agreed formula relating to the betterment factor and to population and average wages ; \$14·1 million in the share of additional assistance (\$112 million distributed as against \$55 million in 1971-72) ; and \$5·5 million in the per capita grant.

The increase of \$9·2 million in the Capital Assistance Grant consisted of \$7·5 million in respect of capital expenditure of a general nature and \$1·7 million for expenditure in respect of State primary and secondary schools.

Detailed information is furnished throughout the Report in relation to the other items included in the above statement.

Net receipts of \$194,356,767 to the Consolidated Fund from loan raisings and loan repayments (exclusive of Commonwealth contributions) were \$16,913,402 more than the comparable figure for 1971-72. The receipts consisted of the net proceeds of the loans raised under Victoria's share of the works programme approved by the Loan Council, \$187,115,000, and \$7,241,767 repayments in respect of advances made by the State in this and prior years. As in 1971-72, the loan proceeds included the amount raised for housing purposes. In 1972-73 this figure was \$37·5 million. The Commonwealth also made available to the State an amount of \$66,810,000, 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 \$1,381,153,250 and this amount was appropriated in full in the following manner :—

	\$
Special Appropriation—Debt Charges, Pensions, &c.	269,649,503
Special Appropriation—Works and Services Account	247,535,531
Annual Vote—Departmental &c. Services.	863,968,216
	<u>1,381,153,250</u>

The comparable figure for the previous year was \$1,210,888,620 which is \$170,264,630 less than the 1972-73 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 \$720,339,980 and represented 51·66 per cent. of the total amount available in the Consolidated Fund. The items included in the expenditure of \$720,339,980 were Education, \$456,968,836, Health and Welfare, \$204,567,356, Housing, \$38,701,473, (including advances of \$1,186,000 to the Teacher Housing Authority) and other Social items, \$20,102,315. These amounts exceeded those of the previous year by \$81,812,087 for Education, \$30,450,325 for Health and Welfare and \$1,222,177 for other Social items. As was the case in 1971-72, allocations for housing purposes were made in 1972-73 from the Consolidated Fund instead of, as formerly, 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 1972-73 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 1972-73 under this heading was \$194,897,902 which represents 13.92 per cent. of the total expenditure from the Consolidated Fund and \$10,167,332 more than was required in 1971-72. Debt charges on the Public Debt accounted for \$166,183,150 of the year's expenditure and the balance related to interest and principal payments in respect of the Commonwealth-State Housing Agreements and the Commonwealth-State Soldier Settlement Account, and interest on the 1969-70 Commonwealth repayable grant of \$10 million.

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 \$8,348,453 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 \$247,535,531 and, with the balance of \$13,522,255 unexpended from the previous year, brought the total funds available in the Account to \$261,057,786. Expenditure under the year's works and services programme absorbed \$247,530,143 and \$211,502 was needed for loan raising expenses. There was an unexpended balance in the Account at 30th June, 1973, of \$13,316,141. Details of the expenditure are given on page 24.

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 \$170,264,630 for the year.

	1971-72.	1972-73.
	\$	\$
Commonwealth Payments to the State		
Financial Assistance Grants	362,085,040	396,087,449
Debt Charges Assistance Grant	5,565,635	8,348,453
Capital Assistance Grant	57,590,000	66,810,000
Contribution for Interest—Financial Agreement	4,254,318	4,254,318
Other Contributions and Recoups	4,113,066	2,601,442
	<u>433,608,059</u>	<u>478,101,662</u>
State Taxes		
Direct	201,292,481	264,925,257
Stamps Acts	92,523,509	124,641,307
Licensing Fund Payment	11,963,672	12,496,580
Other	5,702,903	5,660,236
	<u>311,482,565</u>	<u>407,723,380</u>
Recoveries of Debt Charges		
Interest and Exchange	45,876,388	50,106,155
Sinking Fund—Contributions and Special Payments	3,295,247	3,441,876
Loan Conversion Expenses	3,202	5,915
Repayments	5,432,627	5,949,271
	<u>54,607,464</u>	<u>59,503,217</u>
Land Revenue		
Leases, Licences, Miners' Rights, &c.	3,335,667	3,372,480
Royalties—Brown Coal	566,351	586,073
Submerged Lands	23,710,736	25,205,556
	<u>27,612,754</u>	<u>29,164,109</u>
Harbor Revenue		
Contribution—Melbourne Harbor Trust	1,233,260	1,346,860
Westernport—Wharfage, Tonnage, Towage, &c.	2,365,731	1,981,037
Other	1,146,963	952,504
	<u>4,745,954</u>	<u>4,280,401</u>
Fees and Charges for Departmental Services		
Fees—Titles Office, Registrar of Companies, Government Statist, &c.	7,132,379	8,823,096
Departmental Services—		
Public Works Department	6,125,314	6,882,195
Mental Hygiene	4,041,731	4,676,558
Motor Registration Branch	3,937,270	4,381,048
Agriculture Department	2,205,612	2,630,273
Education Department	1,681,032	2,246,765
Government Printer	4,001,674	2,201,531
Insurance Offices	1,661,330	1,926,549
Police	1,505,441	1,462,357
Public Trustee	617,912	743,209
Social Welfare	698,419	696,701
Other	2,322,781	2,797,415
	<u>35,930,895</u>	<u>39,467,697</u>
Forests Commission		
Royalties, &c.	7,175,973	7,439,151
State Rivers and Water Supply Commission		
Rates and Charges, Recoups, &c.	16,290,009	17,144,126

	1971-72.	1972-73.
	\$	\$
Other Revenue		
Statutory Corporations—Contributions	10,760,000	11,180,000
Fines—Courts and Other Sources	6,017,654	7,223,103
Interest on Public Account	6,269,296	7,021,309
State Accident Insurance Office—Portion of Surplus	1,550,000	1,000,000
Rents and Hirings	887,398	986,320
Public Trustee—Surplus Interest	516,345	690,741
Gas and Fuel Corporation—Dividends Preference Shares	296,461	297,789
Sundry	1,809,330	2,997,502
	28,106,484	31,396,764
Railways	111,966,605	110,410,116
Loan Receipts		
Proceeds of Loan Raisings	171,670,000	187,115,000
Loan Repayments	7,691,858	9,407,627
	179,361,858	196,522,627
Total Receipts	1,210,888,620	1,381,153,250

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 1972-73 under the *States Grants (Capital Assistance) Act* (No. 3) 1972.

Grants to Victoria in accordance with the Acts were :—

	\$
Financial Assistance	396,087,449
Debt Charges Assistance	8,348,453
Capital Assistance	66,810,000

The Financial Assistance Grants of \$396,087,449 received under the provisions of Section 7 of the *States Grants Act* 1971-1972 comprised \$355,864,584 in accordance with sub-sections (1) and (3) ; \$27,700,635 (share of additional \$112,000,000), in accordance with sub-sections (6) and (7) ; and \$12,522,230 (additional \$3.50 per capita grant), in accordance with sub-section (8). These grants exceeded the Financial Assistance Grants received in 1971-72 by \$34,002,409.

The Debt Charges Assistance Grant of \$8,348,453 consisted of payments in accordance with the *States Grants (Debt Charges Assistance) Act* 1970, namely \$7,985,603, interest, provided for by Section 4 and \$362,850, sinking fund contributions, by Section 5.

The Capital Assistance Grant was made under the provisions of the *States Grants (Capital Assistance) Act* (No. 3) 1972 and was composed of grants for expenditure on capital items of a general nature under Section 3 (1), \$63,405,000, and under Section 3 (2), \$3,405,000 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.	1971-72.	1972-73.
		\$	\$
Direct	201,292,481	264,925,257
Stamps Acts	92,523,509	124,641,307
Registrations, &c.	1,268,157	1,454,065
Licences	16,398,418	16,702,751
Total Taxation	<u>311,482,565</u>	<u>407,723,380</u>

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

Direct Taxation.

Pay-roll Tax.—Collections in 1972-73 under the *Pay-roll Tax Act* 1971, which was deemed to operate from 1st September, 1971, amounted to \$149,136,054 compared with \$98,716,265 in 1971-72. The increase of \$50,419,789 reflects the operation of the Act for a full year and the increase in population and average wages.

Probate Duty.—Collections of Probate Duty in 1972-73 were \$48,872,551 or an increase of \$4,331,721 over the 1971-72 figure of \$44,540,830.

Duty amounting to \$48,166,134 was collected by the Commissioner of Probate Duties and \$706,417 by the Public Trustee. The aggregate value of new estates assessed increased from \$308 million in 1971-72 to \$344 million in 1972-73. Payments in advance of the issue of assessments as at 30th June, 1973, amounted to \$10,549,886 whereas at 30th June, 1972, the amount was \$11,096,538.

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 30.6.72—\$6,635,291 ; \$5,786,726 collected in 1972-73.

As at 30.6.73—\$6,522,160 ; to be collected in 1973-74.

Land Tax.—Receipts from Land Tax in 1972-73 were \$29,442,867 and in 1971-72 \$29,105,376, an increase of \$337,491.

The *Land Tax Act* 1972 fixed rates of tax for 1973 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 1972-73 was \$3,099,976 compared with \$3,028,210 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. In 1972–73, the commission was fourteen per cent. except in the case of off-course miscellaneous totalizators where the commission was fifteen per cent. The appropriation of the commission is as shown hereunder :—

On-Course Totalizators—

						Win and Place.	Doubles, Quinella and Forecast.
(i) Metropolitan—						%	%
Consolidated Fund	..	..	..			8·75	5·75
Club Concerned	..	..	..			5·25	8·25
Commission						14·00	14·00
(ii) Country, in respect of all types of totalizators—							%
Consolidated Fund	..	..	..	..	..		3·75
Club Concerned	..	..	..	..	..		10·25
Commission							14·00

Off-Course Totalizators—

						Win and Place.	Miscellaneous.
						%	%
Consolidated Fund	..	..	..			5·25	5·25
Totalizator Agency Board Trust Account*						·25	·25
Race-courses Development Fund or Greyhound Racing Grounds Development Fund	..	..	..			·25	1·25
Totalizator Agency Board	..	..	..			8·25	8·25
Commission						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 1972–73, the sum of \$23,057,111 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 \$113,212.

* 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 :—

	1971-72.				1972-73.			
	Horse Races.	Trotting Races.	Greyhound Races.	Total.	Horse Races.	Trotting Races.	Greyhound Races.	Total.
	\$	\$	\$	\$	\$	\$	\$	\$
PERCENTAGES—								
<i>Win and Place—</i>								
Metropolitan ..	3,336,759	900,384	731,870	..	3,903,836	956,714	807,070	..
Country ..	1,478,697	781,435	16,152	..	1,792,792	992,699	138,804	..
Interstate ..	835,359	..	..	..	972,745	95,043	..	..
<i>Doubles and Quinella—</i>								
Metropolitan ..	971,383	267,589	408,805	..	1,069,238	279,871	443,723	..
Country ..	84,091	35,552	32,686	..	104,286	50,690	43,923	..
<i>Miscellaneous Totalizators</i>	3,720,516	1,528,662	957,771	..	5,594,423	1,676,918	1,367,324	..
	10,426,805	3,513,622	2,147,284	16,087,711	13,437,320	4,051,935	2,800,844	20,290,099
FRACTIONS—								
<i>Win and Place—</i>								
Metropolitan ..	694,698	180,146	185,823	..	728,513	253,121	199,740	..
Country ..	403,103	204,455	5,416	..	485,152	271,984	34,585	..
Interstate ..	179,934	..	..	..	221,859	15,449	..	..
<i>Doubles and Quinella—</i>								
Metropolitan ..	39,753	13,978	34,636	..	46,139	22,102	37,700	..
Country ..	7,141	3,378	4,883	..	11,133	4,788	4,232	..
<i>Miscellaneous Totalizators</i>	116,716	49,506	54,436	..	113,483	91,056	66,884	..
	1,441,345	451,463	285,194	2,178,002	1,606,279	658,500	343,141	2,607,920
DIVIDENDS UNCLAIMED ..	..	..	..	149,542	..	..	..	159,092
CREDITS TO THE CONSOLIDATED FUND ..	..	..	..	18,415,255*	..	..	..	23,057,111*

* On-course—1971-72, \$3,795,394 ; 1972-73, \$4,196,578.
Off-course—1971-72, \$14,619,861 ; 1972-73, \$18,860,533.

In addition to the \$23,057,111 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) \$795,082 to the Totalizator Agency Board Trust Account—for distribution to racing clubs in terms of the *Racing Act 1958* ;
- (ii) \$2,070,570 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) \$367,703 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*.

Comparative figures for subscriptions to the various types of sweepstakes for the past two years are given below. They show the pronounced increase in subscriptions following a full year's operation of the Tattslotto consultations.

	1971-72.	1972-73.
	\$	\$
Ordinary Consultations	20,942,000	18,904,875
Tattslotto Consultations	446,540	11,142,846
Football Pool Consultations .. .. .	..	97,706
Total	21,388,540	30,145,427

Duty on the total amount of subscriptions to each consultation is payable to the Treasurer within seven days after the drawing. Duty amounting to \$9,255,489 was paid into the Consolidated Fund in 1972-73, compared with \$6,789,503 in 1971-72.

During the year football pool lotteries were introduced. Sixteen such lotteries were conducted prior to 30th June, 1973, the total subscriptions to these being \$97,706. Duty equivalent to 33 per cent. of the total subscriptions to football lotteries paid into the Consolidated Fund during 1972-73 amounted to \$26,552. The Act provides that the duty shall be appropriated from the Consolidated Fund and apportioned as follows :—

The Hospitals and Charities Fund and the Mental Hospitals Fund ..	ten	thirty-thirds
The Victorian Football League	one	thirty-third
The Sports and Recreation Fund	twenty	thirty-thirds
The Australian Rules Football Fund	two	thirty-thirds

Duty equivalent to 31 per cent. of the total amounts subscribed to all other consultations is payable to the Treasurer, and under the provisions of the Act an amount equivalent to that duty is appropriated from the Consolidated Fund and apportioned between the Hospitals and Charities Fund and the Mental Hospitals Fund.

In 1972-73, the various Funds and the Victorian Football League were credited with the following amounts :—

	\$
Hospitals and Charities Fund	7,509,217
Mental Hospitals Fund	1,727,766
Victorian Football League	805
Sports and Recreation Fund	16,092
Australian Rules Football Fund	1,609
	9,255,489

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 \$200,059 compared with \$179,343 in the previous year.

As at 30th June, 1973, the Tasmanian share of duty for consultations drawn late in May and in June amounted to \$19,081. 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, 1973.

Payments to the Government of New Zealand during the year amounted to \$271,309 compared with \$293,909 in 1971-72. As at 30th June, 1973, an amount of \$54,582, equivalent to \$58,134 (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 1969-70 (inclusive) amounted to \$321,655. 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.

Gift Duty.—Collections under the *Gift Duty Act* 1971, which operated from 1st January, 1972, amounted to \$1,444,689 in 1972-73 compared with \$91,588 for the six months ended 30th June, 1972.

Payments in advance of the issue of an assessment at 30th June, 1973, totalled \$7,266. Duty assessed but uncollected at that date amounted to \$130,689.

Stamps Acts.

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

	1971-72.	1972-73.
	\$	\$
Other Stamp Duty	69,771,387	102,115,919
Duty on Insurance Business	17,274,632	17,351,108
Duty on Betting Instruments	4,282,385	5,165,824
Receipt Duty	1,195,105	8,456
Total	<u>92,523,509</u>	<u>124,641,307</u>

As indicated in the preceding statement, revenue from Other Stamp Duty was \$32,344,532 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)	22,639,808
(ii) duty on applications for registration and notices of acquisition of motor cars (increase)	3,431,483
(iii) duty on credit and rental business (registered persons) .. (increase)	1,137,698
(iv) duty on cheques (increase)	1,392,812
(v) sale of adhesive duty stamps (increase)	483,190
(vi) approved vendors (hire purchase) (increase)	1,236,511
(vii) duty on public borrowings by companies (increase)	809,415
(viii) duty on sharebrokers' statements (increase)	963,000
(ix) duty on settlements and gifts (decrease)	345,558

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

- (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.

Receipt Duty received in 1972-73 related to arrears only as the *Stamps (Receipt Duty Abolition) Act* 1970 exempted from duty any money received on or after 1st October, 1970.

Licences.

The Licensing Fund Payment.—The revenue of the Licensing Fund consists mainly of fees charged to hotelkeepers, \$8,900,312, wholesale and retail liquor merchants, \$3,071,736, and clubs, \$669,667.

In accordance with the provisions of the *Liquor Control Act* 1968, the surplus of receipts over payments for 1972-73 was transferred to the Consolidated Fund.

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

	1971-72.	1972-73.
	\$	\$
Balance 1st July	661,471	661,471
Receipts—		
Licences	12,557,304	12,997,100
Permits	195,830	207,109
Fees and Fines	81,027	88,369
Interest on Investments	15,996	15,996
Total Receipts for the Year	12,850,157	13,308,574
Payments—		
Salaries and Other Administrative Expenses	428,195	454,874
Cost of Policing Act	167,875	170,770
Compensation	290,415	186,350
Total Payments for the Year.. .. .	886,485	811,994
Transfer to the Consolidated Fund	11,963,672	12,496,580
Balance 30th June	661,471	661,471
Percentage of Total Receipts Transferred	93·1	93·9

Compensation was paid in respect of nineteen hotels in 1971-72 and ten in 1972-73.

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 to the Consolidated Fund. Collections from motor driving instructors' licence fees are apportioned one-quarter to the Country Roads Board Fund, one-quarter to the Municipalities Assistance Fund and 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, \$211,130, net collections credited to the Consolidated Fund on account of drivers' and instructors' licence fees, in 1972-73, amounted to \$3,284,492.

COMPARISON WITH BUDGET.

The following statement shows the variations of Receipts from the Budget Estimate in 1972-73.

	Budget Estimate.	Receipts.	+ Excess - Deficiency
	\$	\$	\$
Taxation—			
Pay-roll Tax	150,000,000	149,136,054	— 863,946
Probate Duty	46,500,000	48,872,551	+ 2,372,551
Land Tax	30,000,000	29,442,867	— 557,133
Entertainments Tax	620,000	616,520	— 3,480
Motor Car Third-party Insurance—Surcharge	3,170,000	3,099,976	— 70,024
Totalizator	22,000,000	23,057,111	+ 1,057,111
Tattersall Duty	10,000,000	9,255,489	— 744,511
Gift Duty	1,500,000	1,444,689	— 55,311
Betting and Bookmakers' Turnover Tax	5,150,000	5,165,824	+ 15,824
Duty on Insurance Business	19,250,000	17,351,108	— 1,898,892
Receipt Duty .. .. .	..	8,456	+ 8,456
Other Stamp Duty	81,700,000	102,115,919	+ 20,415,919
Registration Fees—Factories, Shops, &c.	1,400,000	1,454,065	+ 54,065
Licensing Fund Payment	12,400,000	12,496,580	+ 96,580
Auctioneers' and other Licences	4,854,000	4,206,171	— 647,829
	<u>388,544,000</u>	<u>407,723,380</u>	<u>+ 19,179,380</u>
Recoveries of Debt Charges—			
Country Roads Board	2,551,000	2,536,317	— 14,683
Home Builders' Account	6,546,000	6,662,517	+ 116,517
Housing Commission	23,520,000	23,584,521	+ 64,521
Melbourne and Metropolitan Board of Works	3,445,000	2,702,657	— 742,343
Rural Finance and Settlement Commission	1,693,000	1,689,094	— 3,906
Soldier Settlement	980,000	1,127,727	+ 147,727
State Electricity Commission	17,520,000	16,753,831	— 766,169
Water and Sewerage Authorities	2,800,000	2,021,000	— 779,000
Other	2,354,000	2,425,553	+ 71,553
	<u>61,409,000</u>	<u>59,503,217</u>	<u>— 1,905,783</u>
Land Revenue—			
Lands	3,140,000	3,060,664	— 79,336
Mining	360,000	311,816	— 48,184
Royalties—Brown Coal	600,000	586,073	— 13,927
Royalties—Submerged Lands	25,000,000	25,205,556	+ 205,556
	<u>29,100,000</u>	<u>29,164,109</u>	<u>+ 64,109</u>
Harbor Revenue—			
Harbor Trust Contribution	1,795,000	1,346,860	— 448,140
Westernport	2,180,000	1,981,037	— 198,963
Other	1,165,000	952,504	— 212,496
	<u>5,140,000</u>	<u>4,280,401</u>	<u>— 859,599</u>
Fees and Charges for Departmental Services—			
Fees—Titles Office, Registrar of Companies, &c.	7,840,000	8,823,096	+ 983,096
Recoups—Departmental Services	28,930,000	30,648,601	+ 1,718,601
	<u>36,770,000</u>	<u>39,471,697</u>	<u>+ 2,701,697</u>
Forests Commission—			
Royalties, &c.	7,076,000	7,439,151	+ 363,151
State Rivers and Water Supply Commission—			
Rates and Charges, Recoups, &c.	16,500,000	17,144,126	+ 644,126
Miscellaneous Receipts—			
Fines	6,700,000	7,223,103	+ 523,103
Interest on Public Account	5,300,000	7,021,309	+ 1,721,309
Rents and Hirings	1,000,000	986,320	— 13,680
Statutory Corporation Payments	11,300,000	11,180,000	— 120,000
State Accident Insurance—Appropriation of Portion of Surplus	1,550,000	1,000,000	— 550,000
Other	2,750,000	3,986,032	+ 1,236,032
	<u>28,600,000</u>	<u>31,396,764</u>	<u>+ 2,796,764</u>

COMPARISON WITH BUDGET—*continued.*

	Budget Estimate.	Receipts.	+ Excess - Deficiency
	\$	\$	\$
Railways	114,190,000	110,410,116	- 3,779,884
Commonwealth Payments to State—			
Commonwealth and States Financial Agreement	4,254,000	4,254,318	+ 318
States Grants Acts, &c.	405,407,000	404,435,902	- 971,098
Tuberculosis Arrangement	3,220,000	2,191,247	- 1,028,753
Water Resources Measurement Act	453,000	..	- 453,000
Home Care Act	337,000	406,195	+ 69,195
	<u>413,671,000</u>	<u>411,287,662</u>	<u>- 2,383,338</u>
Proceeds of Loan Raisings	187,115,000	187,115,000	..
Loan Repayments	7,380,000	9,407,627	+ 2,027,627
Works Grant—Commonwealth Payment	66,810,000	66,810,000	..
Total Receipts	<u>1,362,305,000</u>	<u>1,381,153,250</u>	<u>+ 18,848,250</u>

EXPENDITURE.

The expenditure from the Consolidated Fund was more than that for 1971-72 by the amount of \$170,264,630. A comparison of the figures for the two years, separated into special and annual appropriations, is given in the following statement :—

SPECIAL APPROPRIATION.						+ Increase - Decrease
				1971-72.	1972-73.	
				\$	\$	\$
Interest including Exchange				145,724,823	152,928,224	+ 7,203,401
National Debt Sinking Fund				23,447,849	25,099,593	+ 1,651,744
Repayment of Advances—Commonwealth— State Housing and Soldier Settlement ..				5,334,474	5,524,174	+ 189,700
Loan Expenses				21,544	83,929	+ 62,385
				<hr/> 174,528,690	<hr/> 183,635,920	<hr/> + 9,107,230
Hospitals and Charities Fund (Totalizator)				18,415,255	23,057,111	+ 4,641,856
Pensions				13,866,719	16,743,698	+ 2,876,979
Hospitals and Charities and Mental Hospitals Funds (Tattersall)				6,789,503	9,236,983	+ 2,447,480
Endowments and Grants				13,200,502	13,898,403	+ 697,901
Other				4,177,506	4,801,873	+ 624,367
				<hr/> 230,978,175	<hr/> 251,373,988	<hr/> + 20,395,813
Railways—Debt Charges				9,551,879	10,505,784	+ 953,905
Pensions				6,532,674	7,307,862	+ 775,188
Other				465,660	461,869	- 3,791
				<hr/> 16,550,213	<hr/> 18,275,515	<hr/> + 1,725,302
Works and Services Account				230,241,011	247,535,531	+ 17,294,520
Total Special Appropriation				<hr/> 477,769,399	<hr/> 517,185,034	<hr/> + 39,415,635
ANNUAL APPROPRIATION.						
Education				285,686,972	349,064,453	+ 63,377,481
Health				113,537,973	130,710,639	+ 17,172,666
Treasurer				57,704,567	64,218,491	+ 6,513,924
Chief Secretary				49,295,562	55,368,324	+ 6,072,762
Social Welfare				18,542,475	23,082,880	+ 4,540,405
Water Supply				17,222,031	19,224,758	+ 2,002,727
Public Works				12,120,075	14,289,970	+ 2,169,895
Agriculture				12,530,154	14,185,068	+ 1,654,914
Attorney-General				11,692,938	13,312,766	+ 1,619,828
Lands and Survey				5,357,183	5,600,668	+ 243,485
Forests				4,904,838	5,407,737	+ 502,899
Conservation* .. .. .				..	4,104,127	+ 4,104,127
Premier				4,046,059	3,371,625	- 674,434
Labour and Industry				2,075,517	2,457,993	+ 382,476
Local Government				1,868,019	2,213,088	+ 345,069
Arts† .. .. .				..	2,160,013	+ 2,160,013
Mines				1,830,617	2,097,439	+ 266,822
Development and Decentralization ..				1,138,351	1,956,585	+ 818,234
Parliament				1,026,187	1,232,922	+ 206,735
Youth, Sport and Recreation‡ .. ..				..	622,754	+ 622,754
Other				638,422	728,675	+ 90,253
				<hr/> 601,217,940	<hr/> 715,410,975	<hr/> +114,193,035
Railways				131,901,281	148,557,241	+ 16,655,960
Total Annual Appropriation				<hr/> 733,119,221	<hr/> 863,968,216	<hr/> +130,848,995
Total Payments§				<hr/> 1,210,888,620	<hr/> 1,381,153,250	<hr/> +170,264,630

* Expenditure in 1971-72 charged to Treasurer, Chief Secretary, Lands and Survey and Premier.

† Expenditure in 1971-72 charged to Treasurer, Chief Secretary and Premier.

‡ Expenditure in 1971-72 charged to Chief Secretary and Social Welfare.

§ Includes charges to Treasurer's Advance pending Parliamentary Authority.

Most of the expenditure shown in the foregoing statement has been classified under departmental headings and is discussed in subsequent sections. That in connexion with the Treasury has not been so classified, but is dealt with generally throughout the Report.

A major expenditure group, which comprises endowments and subsidies, contributions to various funds and bodies, and grants for health, education and other social services, is provided partly from special appropriations and partly from departmental votes. Generally, throughout the Report, expenditure falling within this group is included in the figures of the related Department. Other details are provided in Appendices A 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 403.	Expenditure for the Year.
	\$	\$	\$	\$	\$
<i>Annual Appropriation—</i>					
Parliament	1,057,840	1,055,888	1,952	177,034	1,232,922
Premier	3,267,155	3,219,319	47,836	152,306	3,371,625
Arts	2,005,400	1,958,790	46,610	201,223	2,160,013
Chief Secretary	55,497,047	54,824,325	672,722	543,999	55,368,324
Social Welfare	23,351,430	22,824,011	527,419	258,869	23,082,880
Youth, Sport and Recreation	429,850	418,232	11,618	204,522	622,754
Labour and Industry	2,320,000	2,319,995	5	137,998	2,457,993
Education	347,316,913	347,243,178	73,735	1,821,275	349,064,453
Attorney-General	12,834,800	12,813,968	20,832	498,798	13,312,766
Treasurer	75,343,098*	60,490,847	14,852,251*	3,727,644	64,218,491
Conservation	4,815,748	4,005,541	810,207	98,586	4,104,127
Lands and Survey	5,556,406	5,502,155	54,251	98,513	5,600,668
Public Works	13,480,920	13,444,941	35,979	845,029	14,289,970
Local Government	2,181,350	2,114,896	66,454	98,192	2,213,088
Mines	2,003,750	2,002,462	1,288	94,977	2,097,439
Agriculture	13,813,509	13,692,648	120,861	492,420	14,185,068
Health	130,291,630	129,793,086	498,544	917,553	130,710,639
Development and Decentralization	1,982,280	1,866,792	115,488	89,793	1,956,585
Housing .. .. .	..	..	..	15,473	15,473
Aboriginal Affairs	410,000	410,000	..	..	410,000
Fuel and Power	79,250	79,247	3	3,417	82,664
Railway Construction	125,460	124,999	461	4,993	129,992
Transport	70,450	70,448	2	20,098	90,546
Forests	5,136,327	5,111,783	24,544	295,954	5,407,737
Water Supply	18,841,900	18,841,529	371	383,229	19,224,758
Railways	146,986,450	146,885,471	100,979	1,671,770	148,557,241
Total Annual Appropriation	869,198,963	851,114,551	18,084,412	12,853,665	863,968,216
<i>Special Appropriation—</i>					
Debt Charges and Other Services	251,373,988	251,373,988	..	..	251,373,988
Railways (including Debt Charges)	18,275,515	18,275,515	..	..	18,275,515
Works and Services Account ..	247,535,531	247,535,531	..	..	247,535,531
Total Special Appropriation	517,185,034	517,185,034	..	..	517,185,034
Grand Total	1,386,383,997	1,368,299,585	18,084,412	12,853,665	1,381,153,250

* Includes \$14,000,000—Div. 403, 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 1972-73 under the authority of the *Appropriation Act* 1972 (Division 403).

Expenditure incurred by the Treasurer pending Parliamentary sanction thereto at 30th June, 1973, is summarized hereunder—

Authority	\$
Public Account Act 1958	2,909,463
Appropriation Act 1972	12,853,665
	15,763,128

On pages 22 to 77 and 102 and 103 of the Treasurer's Statement, details are given of the amounts included in the total of \$15,763,128.

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 D to this Report.

LOAN TRANSACTIONS.

SYNOPSIS.

The State incurred additional loan liability of \$187,121,008 on account of moneys raised for works and associated purposes during the year, compared with \$171,700,949 in the previous year—an increase of \$15,420,059. 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 and the repayments of advances totalled \$196,522,627 which, together with the Commonwealth works grant of \$66,810,000, provided a credit to the Consolidated Fund of \$263,332,627.

Loan transactions may be summarized as follows :—

Liability—		\$
Australian Loans		187,121,008
Less—		
Discounts Capitalized		6,008
		187,115,000
Repayments		9,407,627
		196,522,627
Net Receipts to the Consolidated Fund—Raisings and Repayments		196,522,627
Commonwealth Capital Assistance Grant		66,810,000
		263,332,627

Appropriations during the year from the Consolidated Fund to the Works and Services Account totalled \$247,535,531, which, together with the balance of \$13,522,255 brought forward from 1971–72, allowed for the implementation through this Account of a programme of works and services costing \$247,530,143, and the payment of \$211,502, loan raising expenses and discounts to converters. Unexpended appropriations held in the Works and Services Account at 30th June, 1973, amounted to \$13,316,141.

Loan transactions for the year had the effect of increasing the State's liability under the Financial Agreement from \$2,469,278,366, at 30th June, 1972, to \$2,624,651,683 at 30th June, 1973. There is, however, additional liability to the Commonwealth of \$539,047,144 in respect of advances for housing purposes under the Commonwealth–State Housing Agreement, \$12,596,123 for special assistance loans for soldier settlement, \$2,901,251 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 \$187,121,008, 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. 215.	Loan No. 217.	Loan No. 218.	Loan No. 219.	Loan No. 220.	Special Bonds.	Total.
		\$	\$	\$	\$	\$	\$	\$	\$
4·8	15.5.75	Par.	..	31,381,000	..	..	..	..	31,381,000
4·8	15.2.76	99·9	..	..	6,008,000	..	..	..	6,008,000
4·9	15.11.75	Par.	25,845,000	..	..	..	..	..	25,845,000
5·4	1.1.83	"	..	..	..	..	..	4,148,000	4,148,000
5·6	15.8.75	"	..	..	..	9,536,000	9,954,000	..	19,490,000
5·7	15.2.82	"	..	9,052,000	6,334,000	..	..	..	15,386,000
5·75	15.10.82	"	9,720,000	..	..	..	..	..	9,720,000
6	15.10.91	"	7,732,000	..	..	..	..	..	7,732,000
6	15.10.92	"	..	15,111,000	16,519,000	..	..	..	31,630,000
6	15.7.05	"	8,046,000	2,257,000	2,323,000	..	..	..	12,626,000
6·2	15.7.83	"	..	..	..	6,317,000	4,219,000	..	10,536,000
6·5	15.10.93	"	..	..	..	4,604,000	6,329,000	..	10,933,000
6·5	15.7.03	"	..	..	..	141,000	1,545,008	..	1,686,008
..	..	..	51,343,000	57,801,000	31,184,000	20,598,000	22,047,008	4,148,000	187,121,008

Expenses associated with the raising of loans for works purposes were met from the Works and Services Account, a total amount of \$191,022 being paid during the year. The expenses in respect of loan No. 219 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 1972-73 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.
	\$	\$	\$	%	\$	
4.25	41,942,000	5,277,000 (a)	22,025,000	4.9	Par.	15.11.75
15.8.72	..	..	9,058,000	5.75	..	15.10.82
..	..	..	2,726,000	6	..	15.10.91
..	..	..	2,519,000	6	..	15.7.05
..	..	..	337,000	Sp. Bonds	..	1.1.83
4.5	11,052,000	3,737,000 (a)	373,000	4.9	..	15.11.75
15.8.72	..	..	4,430,000	5.75	..	15.10.82
..	..	..	2,218,000	6	..	15.10.91
..	..	..	189,000	6	..	15.7.05
..	..	..	105,000	Sp. Bonds	..	1.1.83
5.25	12,704,000	5,696,400 (b)	7,007,600	..	..	1.1.83
1.10.72	..	..	..	..	..	..
5.5	20,326,900	2,421,900 (a)	8,567,000	4.8	..	15.5.75
15.11.72	..	..	5,230,000	5.7	..	15.2.82
..	..	..	3,735,000	6	..	15.10.92
..	..	..	373,000	Sp. Bonds	..	1.1.83
6.5	38,515,000	3,419,000 (a)	25,449,000	4.8	..	15.5.75
15.11.72	..	..	3,851,000	5.7	..	15.2.82
..	..	..	5,297,000	6	..	15.10.92
..	..	..	31,000	6	..	15.7.05
..	..	..	468,000	Sp. Bonds	..	1.1.83
5	38,802,993	2,538,993 (a)	20,480,000	4.8	99.9	15.2.76
15.2.73	..	10,500,000 (b)	1,106,000	5.7	Par.	15.2.82
..	..	..	3,794,000	6	..	15.10.92
..	..	..	26,000	6	..	15.7.05
..	..	..	358,000	Sp. Bonds	..	1.1.83
5.75	20,594,000	2,436,000 (a)	12,477,000	5.6	Par.	15.8.75
15.5.73	..	..	3,936,000	6.2	..	15.7.83
..	..	..	820,000	6.5	..	15.10.93
..	..	..	764,000	6.5	..	15.7.03
..	..	..	161,000	Sp. Bonds	..	1.4.81
	183,936,893	19,829,893 (a) 16,196,400 (b)	147,910,600			

Loan proceeds, other than from Special Bonds, were applied to the redemption of securities as follows:—

Value of Securities Redeemed.	Securities Issued.				
	4.8 Per Cent.	5.7 Per Cent.	6 Per Cent.	Price of Issue.	Date of Maturity.
\$	\$	\$	\$		
10,500,000	2,000,000	..	..	99.9	15.2.76
	..	2,133,000	..	Par.	15.2.82
	..	..	5,562,000	..	15.10.92
	..	..	807,000	..	15.7.05
10,500,000	2,000,000	2,133,000	6,369,000		

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

Redeemed.				Funds Provided by—	
Series.	Maturing.	Face Value.	At Cost of—	Series "Y". and "Z".	Series "Z".
		\$	\$	\$	\$
L	1.10.72	5,816,232	5,989,521	5,989,521	..
M	1.8.73	171,400	174,828	174,828	..
N	1.3.74	674,900	688,398	688,398	..
O	1.4.75	413,500	421,770	421,770	..
P	1.10.75	280,400	285,235	285,235	..
Q	1.4.76	109,800	111,003	111,003	..
R	1.7.76	403,000	407,030	407,030	..
S	1.3.77	86,500	87,365	87,365	..
T	1.6.77	813,800	821,938	821,938	..
U	1.4.78	1,520,300	1,522,016	1,522,016	..
V	1.10.78	1,601,800	1,601,800	1,601,800	..
W	1.8.82	368,300	368,300	368,300	..
X	1.10.82	361,600	361,600	361,600	..
Y	1.1.83	82,700	82,700	..	82,700
	..	12,704,232	12,923,504	12,840,804	82,700

WORKS AND HOUSING PROGRAMME.

Expenditure under the works and housing programme in the year 1972-73 amounted to \$247,530,143, compared with \$221,401,068 in 1971-72. Details of this expenditure are shown below :—

	1971-72.	1972-73.
	\$	\$
School Buildings	44,390,182	49,177,102
Housing Commission	25,550,000	26,250,000
Melbourne and Metropolitan Board of Works	19,803,028	22,560,000
Country Water and Sewerage Works	19,469,171	19,138,172
Railways	15,444,234	16,019,805
Electricity Commission	11,000,000	16,000,000
Hospitals and Charitable Institutions	14,359,547	15,880,474
Home Builders	10,950,000	11,250,000
Victoria Institute of Colleges and Advanced Education	4,747,719	8,091,893
Public Buildings	4,385,785	5,477,734
Municipal Subsidies	4,538,404	4,443,012
Forests	3,622,000	4,249,700
Melbourne and Metropolitan Tramways Board	1,200,000	3,855,000
Mental Institutions Including Alcoholism Services	3,339,965	3,784,421
Universities—		
Monash	970,000	3,529,236
Melbourne	2,641,667	3,211,679
La Trobe	3,146,000	2,623,666
Rural Finance and Settlement Commission—		
Agency Department	425,000	3,265,000
Land Settlement	734,982	743,693
Rural Finance	1,365,000	300,000
Vermin and Noxious Weeds	2,815,307	3,250,135
Victorian Arts Centre	1,345,000	2,300,000
Police Buildings and Equipment	2,103,074	2,202,505
Social Welfare	1,711,830	2,169,733
Slum Reclamation.. .. .	2,288,796	1,746,552
Country Roads Board	1,418,330	1,545,988
Agriculture	1,554,900	1,525,944
Teacher Housing Authority	856,000	1,186,000
Wharves and Jetties	748,792	786,059
Cancer Institute	401,433	754,998
Court Houses	506,934	646,055
Crown Lands—Development and Improvements	1,742	625,500
National Parks	362,178	527,000
Advances—Sundry	606,926	441,396
Other Public Works	12,597,142	7,971,691
Total	221,401,068	247,530,143

Public Debt under the Financial Agreement.

The Public Debt statement in the Treasurer's Finance Statement shows that the total indebtedness at 30th June, 1973, amounted to \$2,626,839,776. Of this, \$2,591,968,874 represented internal and \$34,870,902 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 \$2,624,651,683, an increase of \$155,373,317 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 .. .. .	..	3,070,043,339
<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	
	<hr/>	29,191,152
		<hr/>
		3,040,852,187
<i>Less—Equity in National Debt Sinking Fund—Cancelled Securities ..</i>		414,012,411
		<hr/>
Total Indebtedness .. .. .	..	2,626,839,776
<i>Less—Share of Cash—National Debt Sinking Fund</i>		2,188,093
		<hr/>
State's Capital Liability to Commonwealth under the Financial Agreement ..		<hr/> <hr/> 2,624,651,683

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	140,131,371
Loan Conversion and Management Expenses and Expenses of Paying Interest ..	532,895
	<hr/>
Total Interest and Expenses (excluding interest on Commonwealth advances for Housing and Soldier Settlement)	140,664,266
Sinking Fund—State's Contribution to National Debt Sinking Fund ..	25,518,884
	<hr/>
Total Debt Charges	166,183,150
	<hr/>
The comparable figure for the previous year was	156,105,055
	<hr/>

National Debt Sinking Fund.

A summary of the transactions in the National Debt Sinking Fund, in relation to this State, for the year is :—

	\$	\$
Balance at 1st July, 1972 .. .. .	..	5,065,257
Contributions 1972-73—		
<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 ..	6,467,980	
	<u> </u>	6,808,852
<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 ..	6,358,746	
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	313,290	
2 per cent. per annum on tourist resorts development ..	10,799	
Various, on discount and expenses overseas loans ..	25,189	
4·5 per cent. per annum on cancelled securities	16,502,200	
	<u> </u>	25,518,884
		<u>37,392,993</u>
Interest — temporary investment and repurchased securities .. ..	..	88,564
		<u>37,481,557</u>
Securities repurchased and redeemed, \$35,076,354, at a cost of .. ..	..	35,293,464
Balance of cash in Sinking Fund at 30th June, 1973 .. .. .	..	<u>2,188,093</u>

The total amount of securities repurchased or redeemed and cancelled on account of this State since the inception of the scheme is now \$414,012,411 at a cost, including exchange on overseas purchases, of \$436,432,252.

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 1972-73 aggregating \$1,323,668,194 and credits, \$1,351,841,609.

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.	1972-73.		Balance 30th June, 1973.
		Debits.	Credits.	
Australian Rules Football Fund	Pursuant to the <i>Youth, Sport and Recreation Act</i> 1972, to record the receipt of moneys in terms of the Act and the application of those moneys towards the encouragement and development of Australian Rules Football	\$..	\$ 1,609	\$ 1,609
Burnley Horticultural College (Capital Projects 1970-72) Trust Account		33,912	62,350	28,438
Dookie Agricultural College (Capital Projects 1970-72) Trust Account		5,192	35,572	30,380
Emily McPherson College of Domestic Economy (Capital Projects 1970-72) Trust Account	To receive the State's contributions from the Consolidated Fund to be applied towards the cost of the capital projects of the respective colleges, approved pursuant to the Commonwealth's <i>States Grants (Advanced Education) Act</i> 1969, in respect of existing commitments at 31st December, 1972, the date of expiry of the Act, and to record the disbursement thereof	3,800	108,170	104,370
Footscray Institute of Technology (Capital Projects 1970-72) Trust Account		42,474	42,474	Nil
Longerenong Agricultural College (Capital Projects 1970-72) Trust Account		22,110	29,031	6,921
School of Forestry, Creswick (Capital Projects 1970-72) Trust Account		5,578	30,033	24,455
Chicken Meat Research Trust Account	To record transactions relative to a grant made available to the Department of Agriculture by the Australian Chicken Meat Research Committee for the purpose of undertaking a research project into the poultry disease called Newcastle Disease	4,496	5,246	750
Commonwealth Advances Canning Fruit Industry 1972 Account	To record advances received by the State from the Commonwealth for the purpose of making loans to canning co-operatives in respect of the 1972 fruit crop	849,000	874,315	25,315
Commonwealth Child Care 1972 Trust Account	Pursuant to the Commonwealth's <i>Child Care Act</i> 1972 to record moneys received by the State from the Commonwealth for the purpose of providing financial assistance for child care centres and research in child care	..	30,201	30,201
Commonwealth Grant (Fruitgrowing Reconstruction) Trust Account	Pursuant to the Commonwealth's <i>States Grants (Fruitgrowing Reconstruction) Act</i> 1972 to record transactions relative to an agreement between the Commonwealth and the State to operate a scheme of financial assistance to persons engaged in fruitgrowing industries	100,000	100,000	Nil
Commonwealth Grant Metropolitan Employment 1973 Trust Account	To record moneys received by the State from the Commonwealth for the purpose of creating employment in the metropolitan area	6,813,435	9,220,000	2,406,565
Commonwealth Grant (Millewa Pipelines) Trust Account	To record transactions relative to moneys paid to the State by the Commonwealth pursuant to the Commonwealth's <i>Victoria Grant (Millewa Pipelines) Act</i> 1972 for the purpose of constructing pipelines and associated works in the Millewa area	574,712	600,000	25,288
Commonwealth Housing Assistance 1973 Trust Account	Pursuant to the Commonwealth's <i>Housing Assistance Act</i> 1973 to record advances received by the State from the Commonwealth and their disbursement to the Housing Commission	1,500,000	1,500,000	Nil

Account or Fund.	Purpose for which Established.	1972-73.		Balance 30th June, 1973.
		Debits.	Credits.	
		\$	\$	\$
The Decentralized Industry Housing Fund	Pursuant to the <i>Decentralized Industry (Housing) Act</i> 1973 to record the receipt of moneys in terms of the Act and the application of those moneys towards the provision of housing for persons employed in country industries	..	400,000	400,000
Extractive Industries Land Reclamation Fund	Pursuant to the <i>Extractive Industries Act</i> 1966 to record amounts received for reclamation charges and royalties for the purpose of recouping expenses by Municipal Councils in reclaiming worked-out quarries located on Crown land and for payments in respect of private leasehold land to Crown lessees on obtaining Crown grants	..	10,675	10,675
Firearms Training Fund ..	In accordance with the <i>Firearms (Amendment) Act</i> 1972 to record the receipt of fees for junior permits and the distribution of those fees to clubs or organizations engaged in sponsoring and conducting training in the handling and use of firearms	..	8,167	8,167
Grain Inspection Services Account	To record the receipt and disbursements of funds made available to the Department of Agriculture by the Commonwealth for the purchase and running costs of a vehicle to be used in export grain inspection activities	4,839	6,596	1,757
Pig Industry Research Trust Account	To record transactions relative to grants made available to the Department of Agriculture by the Australian Pig Industry Research Committee for the purpose of undertaking research into the pig industry	6,873	7,900	1,027
Poly Unsaturated Milk Production Trust Account	To record moneys received from the Commonwealth Scientific and Industrial Research Organization to meet the costs of a research project relating to the production of poly unsaturated milk to be carried out in conjunction with the Department of Agriculture	2,514	5,500	2,986
Princess Margaret Rose Caves Trust Account	To record the receipt and disbursement of moneys received by the Forests Commission pursuant to regulations made under the <i>Forests Act</i> 1958 for the operation of the caves	..	12,004	12,004
Puckapunyal Soil Conservation Project Trust Account	To record transactions relative to funds made available by the Commonwealth to finance operations in soil conservation being carried out by the Soil Conservation Authority in the area of the Puckapunyal Army establishment	172,548	228,352	55,804
Road Accident Mortality Trust Account	To record the receipt and disbursement of moneys provided by the Commonwealth in relation to the study of serious and fatal road accidents in the Melbourne area	..	5,000	5,000
Sports and Recreation Fund	Pursuant to the <i>Youth, Sport and Recreation Act</i> 1972, to record the receipt of moneys in terms of the Act and the application of those moneys towards the promotion of sport and recreation	1,000	16,092	15,092
State Grants (Advanced Education) Trust Account 1973-75	To account for funds made available by the Commonwealth to the State pursuant to the Commonwealth's <i>States Grants (Advanced Education) Act</i> 1972 for the period 1st January, 1973 to 31st December, 1975	679,254	1,389,318	710,064
Turf Research and Advisory Institute Trust Fund	To record transactions relative to the operation of the Institute pursuant to an agreement between the Victorian Golf Association, Royal Victorian Bowls Association, Victoria Racing Club and the Department of Agriculture	..	5,015	5,015
Victorian Flood Relief Account 1973	To record transactions relative to contributions from the State and the Commonwealth for the purpose of providing assistance to victims of the floods which occurred in Victoria early in 1973	65,247	115,000	49,753
Wildlife Management Fund	To record the receipts and disbursement of certain fees payable under the <i>Firearms Act</i> 1958 as amended by the <i>Firearms (Amendment) Act</i> 1972	93,321	740,760	647,439
Youth Fund	Pursuant to the <i>Youth, Sport and Recreation Act</i> 1972, to record the receipt of moneys in terms of the Act and the application of those moneys towards the training of youth workers, the promotion of youth activities and the provision or improvement of facilities and services for youth	42,483	44,135	1,652

Current Funds and Accounts.

For convenience in explaining the funds and accounts within the Trust Fund, the relevant figures for 1972-73 are set out under broad classifications in the table below :—

	Balance Forward.	1972-73.		Balance 30th June, 1973.
		Debits.	Credits.	
	\$	\$	\$	\$
Commonwealth	11,708,561	212,263,340	217,373,784	16,819,005
Commonwealth-State	711,363	1,593,016	1,629,021	747,368
Compensation and Insurance	83,622,272	110,294,777	122,945,223	96,272,718
Deposit	1,465,309	437,635	603,942	1,631,616
Depreciation	3,779,725	3,666,008	4,110,761	4,224,478
Social, Health and Welfare	1,712,085	114,238,697	115,314,823	2,788,211
Superannuation and Pension	12,539,811	6,500,340	5,063,676	11,103,147
Suspense	28,808,686	402,038,589	402,091,060	28,861,157
Works and Development	34,693,402	346,521,756	353,131,698	41,303,344
Other	8,164,651	126,110,550	129,535,495	11,589,596
Total	187,205,865	1,323,664,708	1,351,799,483	215,340,640

In addition, securities to a value of \$15,555,177 have been lodged with the Treasurer. Transactions in 1972-73 were debits, \$3,486, and credits, \$42,126. Further reference to these securities is made on page 41.

Details of investments held on account of the Trust Fund and included in the balances of the various Funds and Accounts at 30th June, 1973, are shown in the Treasurer's Finance Statement at pages 80 and 87.

Some of 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	64
La Trobe University (Commonwealth Subsidy) Account	La Trobe University	68
Monash University (Commonwealth Subsidy) Account	Monash University	66
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	42
Australian Meat Research Account	44
Commonwealth Aid Roads Accounts	55
Commonwealth Dairy Research Grant Account	43
Commonwealth Extension Services (Agriculture) Grant	43
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 1971-72 and 1972-73 :—

	1971-72.	1972-73.
	\$	\$
Balance 1st July	275,641	1,212,733
Received from Commonwealth during the year	8,873,704	5,448,000
	<u>9,149,345</u>	<u>6,660,733</u>
Reimbursements to Public Hospitals, &c.	7,936,612	6,660,708
Balance 30th June	<u>1,212,733</u>	<u>25</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 1971-72 and 1972-73:—

	1971-72.	1972-73.
	\$	\$
Balance 1st July	4,400	290,226
Received from Commonwealth during the year	3,501,120	3,000,000
	<u>3,505,520</u>	<u>3,290,226</u>
Expenditure (provision of free milk, &c.)	3,215,294	2,883,056
Balance 30th June	<u>290,226</u>	<u>407,170</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, 1972	160,504
Interest and Repayments of Principal by Societies	16,562,539
Total Funds Available	16,723,043
 <i>Disbursement of Funds—</i>	
Advances to Registry of Co-operative Housing Societies	4,977,000
Commonwealth—Interest and Redemption	5,815,043
State of Victoria—Administrative Cost	267,774
Repayment to Home Builders' Account No. 2.. .. .	600,000
Total Disbursements	11,659,817
Balance 30th June, 1973	5,063,226
	16,723,043

Home Builders' Account No. 2.

The arrangements between the Commonwealth and the State in respect of housing finance were altered as from 1st July, 1971, with the new arrangements to apply for a five-year period commencing on that date, and being 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 and the altered financial arrangements was that, in respect of housing moneys paid to the Home Builders' Account, the States were to pay a rate of interest equivalent to the long-term bond rate instead of a rate previously subsidized to 1 per cent. below the prevailing bond rate. For the five-year period ending 30th June, 1976, for which the altered arrangements were to operate, the States, in compensation, were to receive from the Commonwealth, in respect of each of the five years' borrowings, an interest-free grant for the next 30 years to be used to reduce the repayments to be made by the individual members of Co-operative Housing Societies.

These altered arrangements have applied for the two years 1971–72 and 1972–73, but the Commonwealth has recently signified, in its *Housing Agreement Act 1973*, that it desires a further variation, as from 1st July, 1973, in the terms under which housing finance is to be made available to the States. The varied terms include a condition that the rate of interest to be paid by the States to the Commonwealth in respect of advances to the Home Builders' Account shall be 4½ per cent. per annum. The Agreement referred to in the Commonwealth Act has been signed on behalf of the State of Victoria and, at the time of writing this Report, consideration is being given to the drafting of the necessary legislation to ratify the Agreement.

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

	\$
<i>Source of Funds—</i>	
Balance 1st July, 1972	3,861,555
Repayment from Home Builders' Account	600,000
Advances from State Treasury <i>ex</i> Works and Services Account	11,250,000
Commonwealth Grant	404,250
Interest and Repayments of Principal	1,201,853
Total Funds Available.. .. .	17,317,658
 <i>Disbursement of Funds—</i>	
Advances to Registry of Co-operative Housing Societies	12,887,000
Commonwealth Grant paid to Registry	404,250
Interest and Repayments <i>re</i> Advances <i>ex</i> Works and Services Account	688,377
State of Victoria—Administrative Costs, &c.	176,310
Total Disbursements	14,155,937
Balance 30th June, 1973	3,161,721
	17,317,658

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. 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 1972-73 totalled \$1,028,860.

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 1972-73 :—

—	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	1,155,735	DR. 13	24,509	962	1,181,193
Commonwealth—Building and Equipment Grants	3,382,422	39,230	51,607	9,050	3,482,309
Library Materials Grants	200,530	3,200	4,300	15,000	223,030
	4,738,687	42,417	80,416	25,012	4,886,532
Expenditure—Buildings	3,422,746	13,196	71,367	13,790	3,521,099
Equipment	427,192	..	5,250	1,633	434,075
Library Materials	201,030	2,700	2,864	843	207,437
	4,050,968	15,896	79,481	16,266	4,162,611
Balance—30th June	687,719	26,521	935	8,746	723,921

State Grants (Advanced Education Recurrent) Trust Account.

Pursuant to the provisions of the *States Grants (Advanced Education) Acts*, an amount of \$10,035,249 was received from the Commonwealth during 1972-73 in respect of recurrent expenditure of colleges of advanced education. Expenditure totalled \$10,058,748 and the balance held in the Trust Account as at 30th June, 1973, was \$57,234.

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	9,552,302	134,529	344,397	27,520	10,058,748

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 1972-73 :—

					State Schools. \$	Independent Schools. \$	Total. \$
Balance—1st July, 1972	..	..	..	..	774,851	45,754	820,605
Grants from Commonwealth	..	..	..	..	1,500,000	1,359,295	2,859,295
					<u>2,274,851</u>	<u>1,405,049</u>	<u>3,679,900</u>
Expenditure .. .. .	..	..	..	..	1,675,115	1,388,977	3,064,092
Balance—30th June, 1973	..	..	..	..	<u>599,736</u>	<u>16,072</u>	<u>615,808</u>

State Grants (Secondary Schools Libraries) Trust Account.

Pursuant to the provisions of the States Grants (Secondary Schools Libraries) Act, a grant of \$3,222,163 was provided by the Commonwealth during 1972-73 towards establishing, stocking and equipping State and independent secondary school libraries.

The following statement summarizes the transactions during 1972-73 :—

					State Schools. \$	Independent Schools. \$	Total. \$
Balance—1st July, 1972	..	..	..	..	142,165	352,343	494,508
Grants from Commonwealth	..	..	..	..	2,440,698	781,465	3,222,163
					<u>2,582,863</u>	<u>1,133,808</u>	<u>3,716,671</u>
Expenditure .. .. .	..	..	..	..	1,918,867	1,133,717	3,052,584
Balance—30th June, 1973	..	..	..	..	<u>663,996</u>	<u>91</u>	<u>664,087</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, 1972, \$813,451 was held in the Trust Accounts and during the financial year a further \$5,500,000 was received from the Commonwealth. Expenditure totalled \$5,282,759 and the balance held in the Trust Accounts at 30th June, 1973, was \$1,030,692.

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, 1972, \$774,649 was held in the Trust Account and during 1972-73 grants totalling \$3,350,000 were received. Expenditure on account of technical, agricultural and forestry school buildings and equipment totalled \$3,750,182. The balance held in the Trust Accounts at 30th June, 1973, was \$374,467.

State Grants (Independent Schools) Trust Account.

Pursuant to the provisions of its States Grants (Independent Schools) Act, the Commonwealth gives assistance to schools which provide full-time primary or secondary education but which are not conducted by the State or for the profit of individuals. The amounts payable to each school were calculated to 31st December, 1972, at the rate of \$50 per annum for each primary school pupil and \$68 per annum for each secondary school pupil. From 1st January, 1973, these payments were increased to \$64 and \$102 per pupil respectively. At 1st July, 1972, \$2,385 was held in the Trust Account and during the financial year \$13,352,993 was credited to the Account and \$13,353,301 debited, leaving the balance held in the Trust Account at 30th June, 1973, at \$2,077.

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

Pursuant to the provisions of the States Grants (Pre-School Teachers Colleges) Act, the Commonwealth provided financial assistance in connection with pre-school teachers' colleges. A grant of \$86,235 received during 1972-73 was paid to the Melbourne Kindergarten Training College.

COMMONWEALTH-STATE.

The major accounts classified under this head are the Commonwealth-State Sirex Trust Account, the Drug Education Programme Trust Account and the Commonwealth-State Eradication of Brucellosis and Tuberculosis Account. These accounts are the subject of comment under the relevant departmental headings elsewhere in the Report.

COMPENSATION AND INSURANCE.

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

Fund.	Page Reference No.
Cattle Compensation Fund	44
Closer Settlement Insurance Fund	84
Railway Accident and Fire Insurance Fund	96
State Accident Insurance Fund	See Supplementary Report
State Motor Car Insurance Fund	See Supplementary Report
Swine Compensation Fund	44

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 \$104,705 and claims paid amounted to \$5,698. The surplus of \$99,007 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.

Transactions of the Fund during 1971-72 and 1972-73 are summarized below :—

	1971-72.	1972-73.
	\$	\$
Balance, 1st July	735,373	1,781,259
Special Appropriation	4,000	4,000
Income from Investment	41,886	80,840
Works and Services Account	1,000,000	..
	<u>1,781,259</u>	<u>1,866,099</u>
Expenditure .. .. .	..	..
Balance, 30th June	<u>1,781,259</u>	<u>1,866,099</u>
Which included Investments of	<u>765,000</u>	<u>1,815,000</u>

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, \$552,432 ; Municipalities Loan Repayment Account, \$601,933, which includes investments totalling \$440,242 ; Sundry Investments and Interest Account, \$97,251 ; and Law Department—Sureties Trust Account, \$210,000.

DEPRECIATION.

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

Fund or Account.	Page Reference No.
Eildon Sewerage District Depreciation Fund	106
Forests Plant and Machinery Fund	72
Irrigation Districts Maintenance Equalization and Renewals Account ..	103
Printing Machinery Depreciation Fund	74
Public Works Plant and Machinery Fund	92
Railway Renewals and Replacements Fund	94
Water Supply Plant and Machinery Depreciation Fund	104
Water Supply Works Depreciation Fund	104

SOCIAL, HEALTH AND WELFARE.

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

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

	Page Reference No.
Aboriginal Affairs Fund	42
Hospitals and Charities Fund	79
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>	1971-72. \$	1972-73. \$
Balance from Previous Year	10,643	1,332
Government Contributions :—		
Special Appropriation—Act No. 6240	50,000	50,000
Departmental Vote—Education	183,071	223,741
Fees and Proceeds :—		
Classes, Lectures and Discussion Groups	227,081	260,006
Schools and Conferences	16,406	28,198
Community Arts Service	1,674	2,345
Miscellaneous	2,036	1,525
	<hr/> 490,911	<hr/> 567,147

	1971-72.	1972-73.
	\$	\$
<i>Disbursement of Funds—</i>		
Administration—Salaries	190,583	198,676
General Expenses	82,478	96,446
	<hr/>	<hr/>
	273,061	295,122
Classes, Lectures and Discussion Groups	178,235	213,034
Schools and Conferences	17,615	32,530
Community Arts Service	6,413	7,657
Library	13,891	16,345
Miscellaneous	364	2,265
	<hr/>	<hr/>
	489,579	566,953
Balance at End of Year	1,332	194
	<hr/>	<hr/>
	490,911	567,147

Mental Hospitals Fund.

The *Tattersall Consultations Act 1958* provides for the annual payment from the Consolidated Fund to the Hospitals and Charities and the Mental Hospitals Funds, in the proportion determined by the Treasurer, of an amount equivalent to the duty paid by the promoter on Tattersall and Tattslotto consultations. During 1972-73, duty paid on these consultations which was apportioned to these Funds amounted to \$9,236,983. The sum of \$1,727,766 was allocated to the Mental Hospitals Fund and the balance to the Hospitals and Charities Fund.

The Mental Hospitals Fund may be applied 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, 1973 :—

	During the Year.	Total.
	\$	\$
<i>Receipts.</i>		
Balance 1st July, 1972	3,321	..
Special Appropriations— <i>Tattersall Consultations Act 1958</i>	1,727,766	13,806,612
	<hr/>	<hr/>
	1,731,087	13,806,612
<i>Payments.</i>		
Capital Works .. .. .	..	622,000
Maintenance Works .. .. .	..	300,000
General Expenditure (State Institutions) .. .. .	..	3,360,216
Maintenance Grants (Other Institutions)	1,711,584	8,648,727
Mental Health Research (University of Melbourne)	14,000	246,000
Capital Grants (Other Institutions) .. .. .	..	624,166
	<hr/>	<hr/>
	1,725,584	13,801,109
Balance 30th June, 1973.. .. .	5,503	5,503

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.

In accordance with the provisions of 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 year totalled \$689,048.

Amending legislation—the *Superannuation Act 1972*—which came into operation on 1st December, 1972, provided that, where in any financial year the funds in the Police Superannuation Fund are insufficient to cover pensions payable, the amount of such insufficiency shall be transferred from the Police Pensions Fund to the Police Superannuation Fund. Transfers for the period 1st December, 1972, to 30th June, 1973, amounted to \$3,990. Prior to the operation of the amending legislation, transfers for this purpose were required to be made from the Pensions Supplementation Fund.

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

							1971-72.	1972-73.
							\$	\$
<i>Receipts.</i>								
Deductions from pay .. .. .	..	..	..	..	..	..	64,322	65,201
Interest on Investments .. .. .	..	..	..	..	..	..	626,888	555,769
Balance in hand—1st July .. .. .	..	..	..	..	..	..	11,832,321	10,575,934
							12,523,531	11,196,904
<i>Disbursements.</i>								
Pensions .. .. .	..	..	..	..	..	..	1,580,165	1,549,821
Gratuities .. .. .	..	..	..	..	..	..	26,002	18,312
Deductions refunded—on resignation .. .. .	..	..	..	..	..	..	19,629	24,077
Pensions Supplementation Fund .. .. .	..	..	..	..	..	..	321,801	689,048
Police Superannuation Fund .. .. .	..	..	..	..	..	..	..	3,990
							1,947,597	2,285,248
Balance, 30th June .. .. .	..	..	..	..	..	..	10,575,934	8,911,656
Represented by :—								
Investments .. .. .	..	..	..	..	..	..	10,350,900	7,979,900
Cash .. .. .	..	..	..	..	..	..	225,034	931,756
							10,575,934	8,911,656

At 30th June, 1973, the investments of the Fund comprised Commonwealth Government Inscribed Stock, \$5,129,900, 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 \$7,979,900.

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 \$34,087 which comprised the State's contribution of \$4,000, fines amounting to \$316, transfers from the Pensions Supplementation Fund, \$25,781, and from the Police Pensions Fund, \$3,990. Pension payments totalled \$8,888.

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 1971-72 and 1972-73 :—

							1971-72.	1972-73.
							\$	\$
	<i>Receipts.</i>							
Deductions from Earnings	..	..	..	..	..	..	104,947	120,141
Interest on Investments	..	..	..	..	..	..	76,472	86,096
Balance, 1st July	..	..	..	..	..	..	1,421,149	1,515,456
							<u>1,602,568</u>	<u>1,721,693</u>
	<i>Payments.</i>							
Pensions	..	..	..	..	..	..	86,557	102,315
Triennial Valuation Report	..	..	..	..	..	..	555	..
							<u>87,112</u>	<u>102,315</u>
Balance, 30th June	..	..	..	..	..	..	1,515,456	1,619,378
Represented by :—								
Investments	..	..	..	..	..	..	1,468,596	1,566,200
Cash	..	..	..	..	..	..	46,860	53,178
							<u>1,515,456</u>	<u>1,619,378</u>

Investments comprised inscribed stock of the Commonwealth Government, \$81,300, the State Electricity Commission, \$776,500, the Melbourne and Metropolitan Board of Works, \$401,400, and the Grain Elevators Board, \$68,000; Registered First Mortgages over the Pilot Vessels "Alvina" and "Hawk", \$94,000; 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	72
Drivers' Licence Suspense Account	16, 48
Public Works Stores Suspense Account	92
Railway Charges in Suspense Account	96
Railway Stores Suspense Account	96
Tourist Bureaux Trust Account	100
Water Supply Stores Suspense Account	104

WORKS AND DEVELOPMENT.

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

<i>Fund or Account.</i>	Page Reference No.
Country Roads Board Fund	54
Forest Equipment Hire Account	73
Forestry Fund	72
Industrial Development Fund	101
National Parks Fund	52
State Rivers and Water Supply Commission Agency Trust Account	105
Teacher Housing Authority Fund	80
Timber Promotion Committee Trust Account	73
Tourist Fund	99

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 :—

	1971-72.		1972-73.	
	\$	\$	\$	\$
Balance 1st July	81,708		17,083	
Receipts—				
Additional Registration Fees	1,128,135		1,197,092	
	<u> </u>	1,209,843	<u> </u>	1,214,175
Expenditure—				
By Railway Department	951,229		545,542	
By Country Roads Board	241,531		625,848	
	<u> </u>	1,192,760	<u> </u>	1,171,390
Balance 30th June		17,083		42,785
		<u> </u>		<u> </u>

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, to contribute towards the operating costs of the Country Fire Authority, and to contribute 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 \$600,000 was contributed to the Fund from the Works and Services Account.

Following is a summary of operations in the Fund :—

	1971-72.		1972-73.	
	\$	\$	\$	\$
Balance, 1st July		623,464		1,844,610
Contribution—Works and Services Account ..		1,600,000		600,000
Receipts from Fees—Motor Car Drivers' and Instructors' Licences	1,827,461		1,747,799	
Less Costs of Collection	129,167		105,565	
	<u> </u>	1,698,294	<u> </u>	1,642,234
		<u> </u>		<u> </u>
		3,921,758		4,086,844
Expenditure—				
Contribution to Country Fire Authority		1,497,930		1,638,400
Contribution to Casual Fire Fighters Compensation Fund		2,248		1,669
Subsidies to Municipalities for Works ..		576,970		599,989
		<u> </u>		<u> </u>
		2,077,148		2,240,058
Balance, 30th June		1,844,610		1,846,786
		<u> </u>		<u> </u>
		3,921,758		4,086,844
		<u> </u>		<u> </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 1971-72 and 1972-73 are set out below :—

	1971-72.		1972-73.	
	\$	\$	\$	\$
Balance, 1st July	10,420,382		11,992,349	
Receipts—				
Registration Fees	16,105,848		16,577,001	
	<u>26,526,230</u>		<u>28,569,350</u>	
Expenditure—				
By Country Roads Board	6,721,172		5,675,491	
By Melbourne and Metropolitan Board of Works	7,812,709		5,712,490	
	<u>14,533,881</u>		<u>11,387,981</u>	
Balance, 30th June		11,992,349		17,181,369

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, 1972, was \$13,522,255 and allocations from the Consolidated Fund during 1972-73 amounted to \$247,535,531. Expenditure, including an amount of \$2,909,463 disbursed from Treasurer's Advance pending parliamentary sanction thereto, was \$247,741,645, leaving a balance in the Account at 30th June, 1973, of \$13,316,141.

Details of the expenditure met from the Account, exclusive of \$211,502 loan raising expenses, are given on page 24.

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 1971 and 1972.

1971.					1972.	
\$					\$	\$
	Income—					
35,336	Contributions				60,507	
3,693	Other				4,007	
<u>39,029</u>					<u>64,514</u>	
	Expenditure—					
4,393	Allowances, Board Members				5,842	
14,030	Salaries, Office Staff				15,428	
18,009	Inspection and Grading				20,592	
9,920	General Expenses				11,464	
<u>46,352</u>					<u>53,326</u>	
<u>7,323</u>	Deficit			Result for Year	Surplus	<u>11,188</u>

At 30th June, 1973, the balance at credit of the Fund in the Treasury amounted to \$73,723 and comprised cash \$3 and investments \$73,720 (face value).

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

<i>Account</i>								Page Reference No.
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	..	..	..	..	..	..	..	48, 56
Transport Regulation Fund	..	..	..	..	..	..	..	107

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*, \$15,477,520, and to a Geelong Harbor Trust debenture securing the outstanding balance of an advance, \$67,331.

PART V.—DEPARTMENTS, BRANCHES AND AUTHORITIES.

ABORIGINAL AFFAIRS.

The Ministry of Aboriginal Affairs was established 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 1972-73 in relation to this Fund were :—

	\$	\$
Balance 1st July, 1972		15,224
Receipts—		
The Consolidated Fund—		
Vote	410,000	
Works and Services Account	310,000	
	720,000	
Commonwealth Grants—		
Education, Health, Employment and Special Works	413,000	
Rural Employment 1971	33,256	
	446,256	
Repayment of Loans		10,298
Sale of Property		46,978
Rent and Accommodation Charges		37,433
Donations		5,373
Miscellaneous		1,837
		1,283,399
Payments—		
Assistance to Aborigines	652,522	
Administration, &c., Costs	492,094	
	1,144,616	
Balance 30th June, 1973		138,783
		1,283,399

ABORIGINAL HOUSING (COMMONWEALTH) TRUST ACCOUNT.

In 1972-73, grants totalling \$803,256 were paid to the State by the Commonwealth. Of this amount, \$357,000 was allocated for housing and the balance, \$446,256, for education, health, special works projects 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 \$401,278 representing the housing allocation of \$357,000, rent and loan repayments of \$16,320, house sales \$20,458, and other receipts \$7,500. Expenditure for the year on the purchase and construction of dwellings amounted to \$428,915. At 30th June, 1973, the balance in the Account was \$239,576.

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 \$16,871,801, against which there were departmental receipts of \$2,770,207, resulting in a net outgoing of \$14,101,594 compared with \$12,379,568 for the previous year. Details of the expenditure and receipts for the two years are :—

<i>Expenditure.</i>	1971-72:	1972-73.
	\$	\$
Special Appropriation—Agricultural Colleges	100,000	100,000
Vote—		
Agriculture—Salaries, Expenses, Other Services	12,530,154	14,629,465
Treasurer—Workers Compensation Insurance, Pay-roll Tax	420,492	482,001
Public Works—Maintenance and Rent of Buildings	127,914	134,039
Works and Services Account—Acquisition of Properties, Construction of Works, &c.	1,554,900	1,526,296
	14,733,460	16,871,801
<i>Receipts.</i>		
Departmental Services	2,205,612	2,630,273
Licences—Dairies, Dairy Farms, Dairy Produce Factories, &c.	148,280	139,934
	2,353,892	2,770,207
Net outgoing (excluding debt charges)	12,379,568	14,101,594

TRUST ACCOUNTS.

In addition to those activities financed from the Consolidated Fund, various other services and projects are administered through trust accounts the funds for which are, in many instances, provided almost wholly by the Commonwealth. The purposes for which these accounts have been established are such that they may be grouped within the broad classifications of research and experimental, educational, compensation and advisory services. Brief comments in respect of certain of the larger trust accounts are given in the following paragraphs.

Commonwealth Extension Services (Agriculture) Grant Account.

Expenditure from funds provided by the Commonwealth for purposes of expanding extension services, including applied research and farm management advice, is controlled through this account. In 1972-73, receipts to the account amounted to \$1,368,535, including \$1,364,106 from the Commonwealth, and expenditure totalled \$1,449,091. A balance of \$64,641 remained in the account at 30th June.

Commonwealth Dairy Research Grant Account.

Moneys in this account may be expended on the recommendations of the Australian Dairy Produce Board which are based on proposals of the Dairy Produce Research Committee. Such expenditure may be on research in connexion with matters concerned with dairy produce and for the dissemination of information concerning the dairy produce industry. Receipts from the Commonwealth in 1972-73 amounted to \$136,160, other receipts to \$4,658 and expenditure was \$122,767. The account had a balance of \$19,210 at 30th June.

Australian Meat Research Account.

This account meets the costs of cattle and sheep research projects carried out by the Department under the auspices of the Australian Meat Research Committee. In 1972-73, expenditure for this purpose totalled \$193,302 and was met from the credit balance in the account supplemented by receipts of \$216,667 from the Commonwealth. The unexpended balance at 30th June was \$51,779.

Commonwealth-State Eradication of Brucellosis and Tuberculosis Account.

Funds provided towards meeting costs involved in carrying out the State's part in the national campaign for the eradication of brucellosis and tuberculosis in livestock are held in this trust account. Expenditure under the State programme for the year amounted to \$951,352 and \$9,013 was held in the account at 30th June.

Cattle Compensation Fund and Swine Compensation Fund.

Receipts to these Funds consist mainly of stamp duty levied on the sales of cattle and swine and the proceeds from the realization of the residual value of animals destroyed. Moneys in the Funds are applied mainly to the payment of claims for compensation to owners of diseased cattle and swine destroyed in accordance with the relevant legislation.

In 1972-73, receipts of the Swine Compensation Fund amounted to \$204,206 and payments to \$68,646, leaving a balance of \$1,318,885 in the Fund as at 30th June, 1973. Receipts of the Cattle Compensation Fund amounted to \$1,085,600 and payments to \$1,048,517, leaving a balance of \$1,866,871.

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.

The receipts and payments of some of the larger institutions were :—

	Receipts.	Payments.	Net Outgoing.
	\$	\$	\$
Agricultural College, Dookie	167,891	849,377	681,486
Agricultural College, Longerenong	85,061	492,531	407,470
Dairy College, Glenormiston	87,859	632,789	544,930
Research Station, Scoresby	16,602	154,961	138,359
Research Farm, Werribee	44,770	308,094	263,324

The above receipts include students' fees, sale of produce, rents, &c., and the payments comprise salaries and wages, maintenance, other working expenses as well as capital expenditure.

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, 1973, a loss of \$75,731 was incurred. This compares with a profit of \$50,390 for the previous year. In the opinion of departmental officers, this loss was partly due to seasonal and economic conditions in the meat and allied industries and partly due to increased expenditure.

The 1972-73 figures are subject to audit.

	1971-72.		1972-73.	
<i>Revenue.</i>	\$	\$	\$	\$
Storage and Shipping Charges, &c.	448,336		454,731	
Rental	154,437	-	98,660	
		602,773		553,391
<i>Expenditure.</i>				
Salaries and Wages, &c.	236,999		285,788	
Pay-roll Tax	7,552		9,468	
Rent of Site	5,252		11,688	
Maintenance	28,236		42,245	
Electrical Energy	56,675		58,157	
Other Charges (net)	10,563		8,387	
Depreciation	59,174		62,017	
Interest on Capital	147,932		151,372	
		552,383		629,122
Profit for year		50,390		75,731
Loss for year .. .. .		..		..

ABRIDGED BALANCE-SHEET.

30.6.72.		30.6.73.
\$		\$
2,485,463	Capital provided by State	2,509,699
149,392	Contribution by Commonwealth, &c.	149,392
11,763	Sundry Creditors	7,533
5,921	Reserve	5,921
1,019	Accrued Expenses	1,325
		\$
	Profit forward	1,146,362
	Plus Adjustment Former Years	5,468
		1,151,830
	Less Net Operating Loss	75,731
1,146,362		1,076,099
3,799,920		3,749,969
	Fixed Assets at cost less depreciation :—	
1,395,276	Buildings	1,382,933
342,586	Machinery, Plant, &c.	315,897
23,482	Roads and Railway Sidings	23,036
1,761,344		1,721,866
5,554	Stores on hand	5,994
274,812	Sundry Debtors	116,459
1,758,210	Excess of payments to the Consolidated Fund over working and other expenses provided therefrom	1,905,650
3,799,920		3,749,969

During the year, capital provided by the State was increased by \$24,236. This amount was expended on buildings.

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.

ARTS.

The Ministry for the Arts was established during the year pursuant to the provisions of the *Ministry for the Arts Act 1972*, which came into operation on 19th December, 1972.

The objects of the Ministry are to develop and improve the knowledge, appreciation and practice of the Arts, to increase their availability and accessibility to the public, and to encourage and assist in the provision of facilities to enable the Arts to be performed or displayed.

The cost to the Consolidated Fund of the various branches and functions of the Ministry for 1972-73 is set out below :—

	Receipts.	Payments.			Net Outgoing 1972-73.
		Vote.	Works and Services Account.	Total.	
	\$	\$	\$	\$	\$
National Gallery, Arts Centre, &c. ..	5,334	1,098,565	2,363,838	3,462,403	3,457,069
Country Art Galleries .. ..	..	91,100	103,293	194,393	194,393
State Film Centre	4,259	215,533	6,770	222,303	218,044
Grants to Cultural Bodies .. ..	..	790,403	..	790,403	790,403
Other .. ..	..	1,465	..	1,465	1,465
Total	9,593	2,197,066	2,473,901	4,670,967	4,661,374

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 \$46,828,673. 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>	
					1971-72.	1972-73.
					\$	\$
Special Appropriation—						
Pensions and Superannuation, &c.	..	..	..	..	789,981	1,023,007
Vote—						
Police—						
Salaries and Allowances	..	..	..	..	35,200,272	40,731,615
Overtime and Penalty Rates	..	..	..	..	332,305	899,997
Payments in lieu of Long Service Leave		..	..	..	471,481	616,657
General Expenses	..	..	..	..	4,335,558	4,908,263
Treasurer—						
Workers Compensation Insurance, Pay-roll Tax	..	..	..	..	1,361,326	1,943,433
Public Works—						
Maintenance and Rent of Buildings	..	..	..	..	27,722	31,542
Works and Services Account—						
Police Buildings and Residences	..	..	..	..	2,103,074	2,202,505
					<u>44,621,719</u>	<u>52,357,019</u>
					<i>Receipts.</i>	
Departmental Services	..	..	..	..	1,761,503	1,817,042
Firearms and other licences	..	..	..	..	68,978	64,413
Recoup of administrative expenses—Motor Registration Branch	..			..	3,190,114	3,646,891
					<u>5,020,595</u>	<u>5,528,346</u>
Net cost of police services	..	..	..	..	<u>39,601,124</u>	<u>46,828,673</u>

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

- (i) A net increase of 235 in the strength of the police force during 1972-73.
- (ii) Salary increases granted in January and May, 1972, for which a full year's effect is reflected in the 1972-73 expenditure.

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 :—

1971-72.		1972-73.
\$		\$
61,797,694	Fees under the Motor Car Act	64,638,096
44,831,597*	Third Party Insurance Premiums	52,944,067*
8,960,828	Stamp Duty	12,407,007
<u>115,590,119</u>		<u>129,989,170</u>

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

\$	<i>Country Roads Board Fund—</i>	\$	\$
34,775,856	Motor Fees and Examiners' Licences	36,150,427	
915,737	Drivers' Licence and Motor Driving Instructors' Licence Fees ..	875,833	
2,397,127	Additional Registration Fees	2,561,021	
<u>38,088,720</u>			39,587,281
	<i>Level Crossings Fund—</i>		
1,198,562	Additional Registration Fees		1,280,510
	<i>Municipalities Assistance Fund—</i>		
1,827,461	Drivers' Licence Fees and Motor Driving Instructors' Licence Fees ..		1,747,799
	<i>Transport Regulation Fund—</i>		
10,376	Omnibus Registration Fees		10,465
	<i>Roads (Special Projects) Fund—</i>		
16,105,848	Increase in Registration Fees		16,577,001
	<i>Hospitals and Charities Fund—</i>		
1,824,005	Contributions—Third Party Insurance Premiums		1,896,499
	<i>Consolidated Fund—</i>		
3,655,003	Drivers' Licence and Motor Driving Instructors' Licence Fees ..	3,495,622	
2,588,942	Insurance Surcharges	2,691,872	
8,960,828	Stamp Duty	12,407,007	
..	Personalised Number Plates	131,123	
			<u>18,725,624</u>
	<i>Drivers' Licence Suspense Account—</i>		
911,724	Drivers' Licence Fees		872,020
	<i>Traffic Authority Fund—</i>		
..	Registration Surcharges		936,275
	<i>Approved Third Party Insurers—</i>		
40,418,650	Net Premiums collected on their behalf		48,355,696
<u>115,590,119</u>			<u>129,989,170</u>

*Excludes collections by authorized insurers.

Fees under the Motor Car Act.—Fees collected by the Branch under the Motor Car Act increased by \$2,840,402. The higher collections from this source were due, mainly, to :—

- (i) the greater number of motor vehicles registered—1,569,302 compared with 1,524,267 in 1971-72 ; and
- (ii) the operation, from 1st August, 1972, of the *Motor Car (Amendment) Act* 1972, which provided for a surcharge on the registration or renewal of registration of a motor car and directed that the amount of such surcharge, less cost of collection, be paid into the Traffic Authority Fund. As indicated in the above summary, the amount so paid, in 1972-73, was \$936,275.

Third Party Insurance.—An increase of \$8,112,470 in the total premiums collected on behalf of authorized insurers was attributable to the higher premiums charged from 1st October, 1972, and, also, to a further increase in the volume of transactions handled by the Branch in 1972-73.

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 1972–73 was at the rate of \$1.40 per premium and the total amount credited to the Fund, including collections by authorized insurers, was \$2,188,447.

Stamp Duty.—The substantial increase of \$3,446,179 in collections from this source was, primarily, the result of the operation for a full year of the increased rate of duty, which applied from 1st January, 1972, to applications for registration and notices of acquisition of motor cars and commercial trailers.

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 and State Motor Car Insurance Office.

Final accounts and balance-sheets for these Offices had not been completed in time for inclusion in this Report.

Statements and comments on the accounts will be included in my Supplementary Report.

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 1972-73 are submitted subject to audit. Particulars of the Income and Expenditure of the Fund for the years 1971-72 and 1972-73 are as follows :—

	1971-72. \$	1972-73. \$
<i>Income—</i>		
Contributions from insurers and others	345,480	664,765
<i>Expenditure—</i>		
Salaries, including pay in lieu of long service leave ..	169,131	186,538
Rent	63,289	181,605
General	38,458	77,690
Claims on uninsured employers paid from the Fund (net) ..	63,026	39,082
	333,904	484,861
Excess of Income over Expenditure	11,576	179,904

The substantial increase in contributions from insurers and others was related to anticipated higher costs associated mainly with the transfer of the Board to new premises. The increase in operating costs did not fully absorb the additional income for the year and a surplus of \$179,904 at 30th June, 1973, resulted.

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 1971-72 and 1972-73 are summarized below :—

	1971-72. \$	1972-73. \$
Receipts	8,083,395	8,794,706
Payments	4,831,790	5,485,622
Excess of receipts over payments	3,251,605	3,309,084
Balance at beginning of year	22,225,212	25,476,817
Balance at close of year	25,476,817	28,785,901

Investments, &c., controlled by the Board at 30th June, 1973, are shown hereunder :—

	\$
Cash, State Savings Bank of Victoria	285,879
Apollo Bay Sewerage Authority Debentures	200,000
Ballarat Sewerage Authority	450,000
Ballarat Water Commissioners Debentures	200,000
Dromana-Rosebud Sewerage Authority Debentures	300,000
Drouin Sewerage Authority Debentures	200,000
Frankston Sewerage Authority Debentures	1,400,000
Gas and Fuel Corporation Debentures	200,000
Geelong Waterworks and Sewerage Trust Debentures	3,050,000
Melbourne and Metropolitan Board of Works Debentures	8,150,000
Mornington Sewerage Authority Debentures	550,000
Mount Eliza Sewerage Authority Debentures	100,000
Nathalia Sewerage Authority Debentures	100,000
Numurkah Sewerage Authority Debentures	300,000
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	11,300,000
West Moorabool Water Board Debentures	800,000
Temporary Advances	22
	28,785,901

Other Branches.

The cost to the Consolidated Fund of the remaining sub-departments and branches of the Chief Secretary's Department for 1972-73 compared with the previous year is set out below :—

	Receipts.	Payments.			Net Outgoing 1972-73.	Net Outgoing 1971-72.
		Vote.	Works and Services Account.	Total.		
	\$	\$	\$	\$	\$	\$
State Library, &c.	5,334	4,919,888	281,584	5,201,472	5,196,138	3,866,282
Government Statist	448,857	761,575	..	761,575	312,718	248,772
Other Branches	136,955	197,245	..	197,245	60,290	73,272
Administrative	41,999	529,287	..	529,287	487,288	544,231

During 1972-73, the Fisheries and Wildlife Branch was transferred to the Ministry for Conservation, the National Gallery to the Ministry for the Arts, and the Totalizator Administration to the Department of Youth, Sport and Recreation. Comments in respect of these three former branches of the Chief Secretary's Department are made in the appropriate departmental sections elsewhere in this Report.

CONSERVATION.

The Ministry for Conservation was established during the year 1972-73 under the provisions of the *Ministry for Conservation Act 1972* which came into operation on 23rd January, 1973. The objects of the Ministry are the protection and preservation of the environment and the proper management and utilization of the land and living aquatic resources of Victoria.

National Parks.

As from the date of operation of the *Ministry for Conservation Act 1972*, responsibility for the administration of the National Parks Fund moved from the Department of State Development to the Ministry.

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, 1973, is given hereunder :—

	\$	\$
Balance, 1st July, 1972 .. .. .	..	22,861
Receipts—		
From the Consolidated Fund—		
Vote	204,710	
Works and Services Account	527,000	
From Rural Employment Account	22,000	
Rentals, Fees, &c.	59,712	
	813,422	813,422
Payments—		
Grants to Committees of Management of National Parks, Advances for Works to the Public Works Department and Forests Commission and other Miscellaneous Expenditures	553,630	
Administrative Costs	188,612	
	742,242	742,242
Balance, 30th June, 1973 .. .. .	..	94,041

In addition to the balance of \$94,041 at credit of the Fund, unexpended advances to the Public Works Department and the Forests Commission for works amounted to \$9,625 as at 30th June, 1973.

Environment Protection.

The Environment Protection Authority was established within the terms of the *Environment Protection Act 1970* and has now been brought within the administration of the Ministry for Conservation in accordance with the *Ministry for Conservation Act 1972*.

Total expenditure for the year was \$1,306,358, of which \$871,687 was expended from Vote and \$434,671 from the Works and Services Account. This was an increase of \$1,173,724 in the overall cost of the activity in comparison with 1971-72.

Fisheries and Wildlife.

Under the provisions of the *Ministry for Conservation Act 1972*, responsibility for the administration of the Fisheries and Wildlife Branch which administers the *Fisheries Act 1968* and the *Game Act 1958*, was transferred from the Chief Secretary's Department to become the Fisheries and Wildlife Division of the Ministry for Conservation.

The expenditure of the Division from the Consolidated Fund for the year was \$1,953,322 against which there were departmental receipts of \$249,383, resulting in a net outgoing of \$1,703,939 compared with \$1,250,399 for the previous year. Details of the expenditure and receipts for the two years are :—

	1971-72.	1972-73.
	\$	\$
Expenditure—		
Vote—		
Chief Secretary—Salaries, Expenses, Other Services.. ..	1,335,691	..
Conservation—Salaries, Expenses, Other Services .. ..	..	1,659,529
Treasurer—Workers Compensation Insurance, Pay-roll Tax ..	37,453	42,314
Public Works—Rent of Buildings	15,214	14,542
Works and Services Account.. ..	195,024	236,937
	<hr/>	<hr/>
Receipts	1,583,382	1,953,322
	332,983	249,383
	<hr/>	<hr/>
Net Outgoing	1,250,399	1,703,939

Various services and projects of the Division were financed from several Trust Accounts and details of the main accounts are :—

Fisheries and Wildlife Research Trust Account.—This account was established to record various grants made to the Fisheries and Wildlife Division for research purposes.

Grants received during 1972-73 amounted to \$159,000, including \$120,000 for Westernport Bay Environment Pollution Research. The expenditure during the year was \$99,187, leaving a balance unspent of \$86,794 at 30th June, 1973.

Fisheries Research Fund.—This Fund was established under the provisions of Section 19 (1) of the *Fisheries Act* 1968. Transactions during 1972-73 were :—

	\$
Balance, 1st July, 1972	197,258
Receipts—Commercial Fishing Licence Fees	100,838
	<hr/>
	298,096
Payments—Commercial Fishing Research	88,364
	<hr/>
Balance, 30th June, 1973	209,732

Wildlife Management Fund.—This Fund was opened in 1972-73 pursuant to the provisions of the *Firearms (Amendment) Act* 1972, which came into operation on 1st January, 1973. The revenue of the Fund consists of fees collected in respect of shooters' licences issued under this Act and in 1972-73 these amounted to \$740,759. The costs of collection were \$93,320 leaving a balance of \$647,439 in the Fund at 30th June, 1973.

Soil Conservation.

The Soil Conservation Authority established pursuant to the *Soil Conservation and Land Utilization Act* 1958 is charged with the prevention and mitigation of soil erosion and the promotion of soil conservation.

During the year, responsibility for the administration of the Authority was transferred from the Premier's Department to the Ministry for Conservation.

Expenditure by the Authority from the Consolidated Fund during the year 1972-73 amounted to \$1,522,839 as follows :—

	\$	\$
Vote—		
Conservation	1,020,036	
Treasurer—Workers Compensation Insurance, Pay-roll Tax ..	26,421	
Public Works—Rent and Repairs of buildings	20,211	
	<hr/>	1,066,668
Works and Services Account.. ..	..	456,171
		<hr/>
		1,522,839

The Authority also incurred expenditure from various Trust Accounts as follows :—

	\$
Soil Conservation Authority Trust Account	95,515
Commonwealth Extension Services (Conservation) Grant Account ..	61,032
Puckapunyal Soil Conservation Project Trust Account	172,548
	<hr/>

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 1972-73 were :—

- (i) *Fees under the Motor Car Act.*—Receipts for the year under this Act amounted to \$40,120,998 and the costs of collection were \$4,693,227. The comparable figures in 1971-72 were, respectively, \$38,549,805 and \$4,254,188.

The increase in collections, \$1,571,193, was due, mainly, to the greater number of motor vehicles registered in Victoria—1,569,302 compared with 1,524,267 in 1971-72. Costs of collecting fees under the Motor Car Act increased by \$439,039 during 1972-73.

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 \$548,173 compared with \$534,167 in 1971-72.

- (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 1972-73 these contributions totalled \$2,182,290. In certain circumstances, the required contribution may be reduced or waived, and, for 1972-73, these concessions amounted to \$1,910,891.

- (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 \$9,744,729 compared with \$9,136,206, in 1971-72.

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 \$1,333,000 was provided from the Works and Services Account to the Country Roads Board as non-repayable Special Contributions.

(b) *Works and Services Account.*

Under the authority of Section 31 of the *Country Roads Act* 1958, the Treasurer in 1972-73 provided advances from the Works and Services Account 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	6,346
State Highways	393,654
	400,000

The net liability of the Board at 30th June, 1973, in respect of moneys provided under Loan Application Acts and Works and Services Acts was \$32,763,136.

(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 \$270,000,000 for 1972–73 was \$57,240,000 of which \$49,785,000 was allocated to the Country Roads Board and \$7,455,000 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 State expenditure from its own resources on road works, including road planning and research, 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 1972–73, a maximum of \$6,737,000 for the purposes of sixteen projects approved by the Governor in Council.

Cash expenditure for the year was \$5,675,491 leaving an unexpended allocation at 30th June, 1973, of \$1,061,509. In accordance with the direction of the Treasurer, the unexpended allocation lapsed at 30th June, 1973.

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.

1971–72.					1972–73.	
\$	<i>Principal Funds Available.</i>				\$	\$
	<i>Country Roads Board Fund—</i>					
78,000	Balance from previous year				132,127	
33,761,450	Net Fees, Motor Car Act				34,879,598	
2,190,207	Municipal Contributions				2,182,290	
9,136,206	Road Charges—Commercial Goods Vehicles Act ..				9,744,729	
712,970	General Receipts				702,997	
982,500	Special Contributions—Works and Services Account ..				1,333,000	
<hr/>					<hr/>	48,974,741
46,861,333						
	<i>Works and Services Account—</i>					
400,000	Act No. 6229—State Highways and Main Roads					400,000
<hr/>						
	<i>Commonwealth Aid Roads Act—</i>					
25,780,000	Urban Arterial Roads				28,715,000	
3,440,000	Rural Arterial Roads				4,110,000	
15,330,000	Rural Roads—Other				16,100,000	
750,000	Planning and Research				860,000	
<hr/>					<hr/>	49,785,000
45,300,000						
	<i>Roads (Special Projects) Fund—</i>					
6,785,000	Expenditure authorized by the Treasurer				6,737,000	
63,828	Less Unexpended Allocation				1,061,509	
<hr/>					<hr/>	5,675,491
6,721,172						
<hr/>					<hr/>	104,835,232
99,282,505						

Expenditure.

1971-72. \$		1972-73. \$
80,817,911	Construction and Maintenance of Roads, (including Special Projects)	82,663,003
	Payments to the Consolidated Fund—	
2,397,474	Interest (including exchange)	2,423,408
110,331	Sinking Fund Contributions and Loan Conversion Expenses	112,909
76,489	Loan Repayments	75,488
657,891	Transfer to Tourist Fund	685,912
328,946	Transfer to Traffic Authority Fund	342,956
239,000	Contribution to Australian Road Research Board ..	263,000
200,000	Contribution to Melbourne and Metropolitan Tramways Board	200,000
14,322,336	General Expenditure, including Administration, Stores and Materials, &c.	16,172,752
<hr/>		<hr/>
99,150,378		102,939,428
132,127	Unexpended at 30th June—Cash at Credit of the Country Roads Board Fund ..	1,895,804
<hr/>		<hr/>
99,282,505		104,835,232

CONSTRUCTION AND MAINTENANCE OF ROADS.

Expenditure by the Board during the year 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	15,185,084	5,468,899	6,346	..	20,660,329
State Highways	9,938,722	7,391,494	393,654	319,739	18,043,609
Freeways	4,093,404	14,410,678	..	5,353,098	23,857,180
Tourists' Roads	1,714,815	34,132	..	..	1,748,947
Forest Roads	233,004	607,384	..	..	840,388
Unclassified Roads	2,527,983	14,981,913	..	2,654	17,512,550
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	33,693,012	42,894,500*	400,000	5,675,491	82,663,003

* Excludes Management and Operating Expenditure, \$6,030,500, and expenditure on Planning and Research, \$860,000.

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 1972-73 was \$685,912.

For particulars of the operation of this Fund see p. 99.

TRANSFER TO TRAFFIC AUTHORITY FUND.

The *Road Traffic Act* 1958, as amended, established in the Treasury the Traffic Authority Fund and provides that an amount equal to one per cent. of the total amount paid into the Country Roads Board Fund pursuant to the *Country Roads Act* 1958 and the *Motor Car Act* 1958 during the last preceding financial year is to be paid out of the Country Roads Board Fund into the Traffic Authority Fund.

The amount transferred in 1972-73 was \$342,956, which represents one per cent. of the net fees collected under the provisions of the Motor Car Act and paid into the Country Roads Board Fund in 1971-72.

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 \$201,607 of which \$52,810 was apportioned to the Country Roads Board. Unallocated expenses of \$15,271 remained a charge to the Public Account at 30th June, 1973.

EDUCATION.

The cost of education met from State Funds during 1972-73 was \$473,738,827. 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 .. .. .	..	9,225,299
Departmental Votes—		
Education	349,064,453	
Treasury	49,608,124	
Public Works	406,138	
Agriculture	70,000	
	399,148,715	
<i>Less—Recoups of Expenditure, &c.</i>	973,885	
	398,174,830	
Works and Services Account .. .. .	..	67,802,442
		475,202,571
<i>Less—Receipts</i> .. .. .	..	1,464,744
		473,737,827
Trust Fund—Forestry Fund .. .. .	..	1,000
Cost of Education met from State Funds .. .. .	..	473,738,827

Receipts and expenditure during 1971-72 and 1972-73 on the preceding basis were :—

	1971-72. \$	1972-73. \$
Consolidated Fund—		
Expenditure	389,391,338	475,202,571
Receipts	1,509,658	1,464,744
	387,881,680	473,737,827
Trust Fund—Forestry Fund	1,000	1,000
Cost of Education met from State Funds	387,882,680	473,738,827

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 :—

	1971-72.	1972-73.
	\$	\$
<i>Expenditure—</i>		
Salaries, &c.—Teaching Service	200,084,927	241,303,718
Salaries, &c.—General Administration and Clerical Assistance ..	4,886,608	6,108,677
Pay-Roll Tax	6,662,259	8,961,634
Allowances to Students in Training	20,089,881	25,604,752
Workers Compensation Insurance	1,527,278	1,561,406
Travelling Expenses and Allowances, &c.	1,099,690	1,224,111
Libraries—Grants and Subsidies	263,127	274,999
School and Office Equipment and Requisites	2,356,470	2,649,515
Text Books, Publications, Examination Expenses, Postage and Telephone Expenses, Incidentals	907,821	1,055,325
School Cleaning and Services	9,946,043	12,254,179
Conveyance of Pupils	10,411,607	13,433,145
Bursaries, Scholarships and Maintenance Allowances	3,409,397	3,641,382
International Teaching Fellowships	678,131	876,882
Operating Costs—Hostels and Residential Camps	1,110,542	1,181,213
Buildings, Sites, &c.—Capital Works	37,568,988	40,346,139
—Maintenance	5,178,764	6,989,299
Grants, &c.	75,068,360	98,339,957
Fees—Universities and Other	1,264,604	1,424,929
Pensions—Retired Teachers and Officers.. .. .	6,877,841	7,972,309
	<u>389,392,338</u>	<u>475,203,571</u>
<i>Receipts (Net)—</i>		
Tuition Fees	312,291	399,551
Rents	77,795	28,835
Board—Students in Training, &c.	548,426	493,650
Broken Bond Debts	255,592	256,142
Recoups from Independent Schools—Equipment	31,744	24,266
Miscellaneous	283,810	262,300
	<u>1,509,658</u>	<u>1,464,744</u>
	<u>387,882,680</u>	<u>473,738,827</u>

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

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 \$41,218,791. The following factors contributed to the increase :—

- (i) Teachers Tribunal determinations, operative from May, 1972 ; and
- (ii) the annual salary increments of teachers and an increase of roundly 2,800 in teacher numbers.

Over and underpayments continued to occur in this large and complex payroll. Delays in forwarding information affecting payroll within the Department and also between schools and the Department accounted for the majority of overpayment cases recorded.

Allowances to Students in Training.—An increase of \$5,514,871 in students' allowances was due mainly to :—

- (i) an increase in the number of students in training ;
- (ii) a Teachers Tribunal determination, operative from May, 1972 ; and
- (iii) an increase in the number of graduates and under-graduates being awarded studentships and paid allowances at special rates.

International Teaching Fellowship Scheme.—During 1972–73, the sum of \$876,882 was expended by the Department on the provision of International Teaching Fellowships, bringing total expenditure since the inception of the Scheme in 1970–71 to \$2,021,266. The purpose of the scheme is to attract qualified science and mathematics teachers from Great Britain, Canada and U.S.A., to relieve an acute shortage of qualified teachers in these categories within the Victorian school system. Living and other allowances amounting to approximately \$17,000 over the two-year engagement period are payable in respect of each Fellowship awarded.

Grants, &c.—Expenditure rose from \$75,068,360 to \$98,339,957, an increase of \$23,271,597. 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 \$3,021,538 during 1972–73. 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 ;
- (iii) an increase in the number of students receiving conveyance allowances ; and
- (iv) fare concessions for students.

Broken Bond Debts.—Collections on account of these debts during 1972–73 amounted to \$256,142 and, during the same period, debts totalling \$981,033 on account of 561 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 1972–73 and prior years. The total debt due at 30th June, 1973, was \$3,666,579 on account of 1,764 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 B, combines Treasury, school and college accounts to show the disbursement of the funds available for education in these institutions.

<i>Source of Funds—</i>	1972–73.	
	\$	\$
Funds provided by the State—		
The Consolidated Fund .. .. .	.. .. .	81,859,781
Funds provided by the Commonwealth—		
Science Laboratories	620,872	
Secondary School Libraries	3,743,959	
Technical Training	582,680	
	<hr/>	4,947,511
Receipts collected by Schools and Colleges—		
Tuition Fees	2,175,937	
Other	619,600	
	<hr/>	2,795,537
Total Available Funds .. .. .	.. .. .	<hr/>89,602,829 <hr/>

					1972-73
<i>Disbursement of Funds—</i>				\$	\$
Salaries (including pay-roll tax)—					
Teachers and Part-time Instructors				55,373,717	
Administrative and Maintenance Staff				6,560,151	
				<hr/>	61,933,868
Erection and Maintenance of Buildings, &c. .. .. .				..	16,478,243
Equipment .. .. .				..	1,404,590
General Cost of Classes and Administrative Costs, &c. .. .. .				..	6,181,689
Scholarships, Maintenance and Conveyance Allowances to Pupils .. .. .				..	3,396,071
					<hr/>
					89,394,461
<i>Less</i> Rents, &c., received by Education Department .. .. .				..	24,031
					<hr/>
					89,370,430
<i>Add</i> Surplus for Year (Maintenance Accounts) .. .. .				..	232,399
					<hr/>
Total Funds Disbursed .. .. .				..	89,602,829
					<hr/>

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, 1973, the Department conducted 27 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 1971-72 and 1972-73 show average *per capita* costs (excluding capital items and grants to the Kindergarten Training College) based on the average number of students in training :—

	1971-72.	1972-73.
	\$	\$
Cost of conducting teachers' colleges	32,440,653	39,934,183
Cost of conducting hostels for students in training	645,048	815,762
	<hr/>	<hr/>
	33,085,701	40,749,945
	<hr/>	<hr/>
Average number of students in hostels	1,254	1,178
Average number of students accommodated privately	12,236	14,462
	<hr/>	<hr/>
Average total number of students	13,490	15,640
	<hr/>	<hr/>
	\$	\$
Average annual <i>per capita</i> cost of training (exclusive of accommodation) ..	2,405	2,553
Average additional annual <i>per capita</i> cost of training for those students accommodated in hostels	514	693

CONVEYANCE OF PUPILS.

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

	1971-72.	1972-73.
	\$	\$
Payments to contractors providing special bus transport services for pupils	8,784,738	9,724,208
Allowances not exceeding 10c per day for eligible pupils attending primary schools	201,791	206,328
Allowances for eligible pupils attending post-primary schools	1,412,783	1,769,246
Allowances for eligible pupils under reciprocal arrangements with other States	12,295	19,363
Fare concessions for students .. .. .	..	1,714,000
	<hr/>	<hr/>
	10,411,607	13,433,145
	<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 1972-73 for the following purposes :—

	\$
Universities, Affiliated Residential Colleges and Teaching Hospitals—recurrent and capital expenditure	28,637,360
Universities—research projects	1,569,817
financial assistance for students in need	586,000
Advanced Education—recurrent expenditure	9,715,733
building projects and equipment of a capital nature.. .. .	3,421,652
library materials	203,730
research projects	37,234
financial assistance for students in need	392,000
Science Laboratories—buildings and equipment	2,859,295
Technical Training—buildings and equipment	3,350,000
Teachers' Colleges—building projects	5,500,000
Secondary School Libraries—buildings and equipment	3,222,163
Independent Schools—recurrent expenditure	13,352,993
Child Migrant Education—salaries of teachers, equipment, &c.	1,422,998
Pre-School Teachers' College—building, &c.	86,235
Rural Employment—site works, &c.	186,060
Metropolitan Employment—site works, &c.	5,891,704
	80,434,974

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	14,007,406	
Monash	10,874,554	
La Trobe	5,916,217	
		30,798,177
Advanced Education—		
Recurrent Expenditure.. .. .	9,686,831	
College Buildings, &c.	3,863,134	
Library Materials	203,730	
Other	429,234	
		14,182,929
Science Laboratories—		
State Schools	1,675,015	
Independent Schools	1,388,977	
		3,063,992
Technical Training—		
School Buildings and Equipment		3,743,960
Secondary School Libraries—		
State Schools	1,918,867	
Independent Schools	1,133,717	
		3,052,584
Independent Schools—		
Recurrent Expenditure		13,353,301
Child Migrant Education—		
Salaries, Equipment, &c.		1,261,076
Teachers' Colleges—		
Buildings and Equipment		5,282,759
Pre-School Teachers' College—		
Buildings, &c.		86,235
Rural Employment—		
Site Works, &c.		186,060
Metropolitan Employment—		
Site Works, &c.		5,891,704
		80,902,777

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, 1973, were \$3,657,679.

The University of Melbourne.

Details of the University's income and expenditure for the year 1972 are given below. In addition to the General Fund, the income of which is available to meet the general running costs of the University, there are almost two thousand other University funds each of which must be accounted for separately. Many of these funds have resulted from donations and grants for specific purposes and may be spent only for those purposes.

Under broad headings, the following statement summarises the income and expenditure of these funds and the General Fund for the past two years :—

<i>Income—</i>	1971.	1972.
	\$	\$
State Government Grants—		
General Purposes	10,011,345	10,960,603
Building Purposes	1,502,287	3,198,210
Special Purposes	719,175	745,306
	12,232,807	14,904,119
Commonwealth Government Grants—		
General Purposes	7,893,400	8,493,000
Building Purposes	2,455,300	2,954,929
Special Purposes	2,359,190	2,176,787
	12,707,890	13,624,716
Students' Fees	5,747,565	5,782,007
Donations and Bequests	1,752,356	2,215,465
Interest, Dividends, Rents	765,753	847,912
Dental Hospital Building on account of Principal and Interest	211,640	211,641
Other Income	2,502,547	2,831,977
Total Income	35,920,558	40,417,837
<i>Expenditure—</i>		
Salaries and Associated Expenditure	21,518,030	23,342,002
Apparatus and Books	3,072,464	2,801,837
Maintenance, &c., Buildings, Land, Grounds and Vehicles	1,817,832	1,988,632
Special Grants and Fees to Affiliated Institutions	905,668	1,205,256
Other Expenses	2,857,874	3,487,919
Interest and Redemption—Dental Hospital Loan	211,644	211,644
Buildings—Erection, Purchase and Major Alteration	5,611,083	6,371,851
Total Expenditure	35,994,595	39,409,141
<i>* Balance—</i>	1971.	1972.
	\$	\$
General Fund	—	—
Building Funds	<i>Deficit</i> 918,549	<i>Surplus</i> 427,964
Research Funds	<i>Surplus</i> 57,923	<i>Surplus</i> 94,720
Other Funds	<i>Surplus</i> 278,137	<i>Deficit</i> 152,055
Trust Funds	<i>Surplus</i> 508,452	<i>Surplus</i> 638,067
	<i>Net Deficit</i> 74,037	<i>Net Surplus</i> 1,008,696

* Takes into consideration inter-fund transfers.

Expenditure on account of the General Fund in 1972 exceeded income by \$340,695. This sum, together with an appropriation of \$50,000 to reduce the accumulated General Fund deficit, and net transfers of \$86,030 to the Departmental and Library Vote Appropriation Funds in respect of commitments for outstanding orders, was met from appropriations totalling \$476,725 made in 1970 and 1971 in anticipation of an excess of expenditure in 1972.

The balance of \$1,420,468 in the General Bank Account at 31st December, 1972, was represented by :—

	\$	\$
<i>Unexpended Grants (net)—</i>		
Research Funds.. .. .	1,111,736	
Other Funds	1,063,653	
	<hr/>	2,175,389
<i>Less Overdrawn Funds (net)—</i>		
Building Funds	123,806	
General Fund Accumulated Deficit	631,115	
	<hr/>	754,921
Net Balance of Funds available for specific purposes .. .. .	.. .. .	<hr/><hr/>1,420,468

Trust Funds at the same date totalled \$9,268,918.

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 :—

		1971.	1972.
		\$	\$
<i>Income—</i>			
State Government Grants—			
General Purposes		8,986,152	9,898,496
Building Purposes		1,232,430	3,597,694
Special Purposes		242,300	242,676
		10,460,882	13,738,866
Commonwealth Government Grants—			
General Purposes		6,676,000	7,323,000
Building Purposes		1,211,360	3,597,694
Special Purposes		596,829	770,457
		8,484,189	11,691,151
Students' Fees including Union Fees for Operational Purposes ..		3,829,137	4,110,935
Union Fees for Union Development		135,798	145,115
Grants and Donations including Public Appeals		1,039,717	1,220,705
Book Shop		36,263	49,977
Other Income		847,327	765,645
		5,888,242	6,292,377
Total Income		24,833,313	31,722,394
 <i>Expenditure—</i>			
Teaching and Research		15,576,043	17,004,703
Libraries		1,594,617	1,819,037
Administration		2,157,497	2,211,363
Buildings and Grounds		3,190,681	4,002,628
Sundry Expenditure		1,400,381	1,428,103
Total Expenditure		23,919,219	26,465,834
 <i>Balance—</i>			
		1971.	1972.
		\$	\$
Recurrent Funds	<i>Surplus</i>	88,973	<i>Surplus</i> 191,087
Capital Funds	<i>Surplus</i>	236,684	<i>Surplus</i> 4,684,815
Research Funds	<i>Surplus</i>	24,491	<i>Deficit</i> 97,244
Grants and Donations	<i>Surplus</i>	113,570	<i>Surplus</i> 60,638
Other Funds	<i>Surplus</i>	450,376	<i>Surplus</i> 417,264
	<i>Surplus</i>	914,094	<i>Net Surplus</i> 5,256,560

The accumulated Funds at 31st December, 1972, showed an overall surplus of \$7,915,788. Details are :—

								\$
<i>Surpluses—</i>								
Grants and Donations .. .. .	..	..	..	..	..	..	..	724,221
Recurrent Funds .. .. .	..	..	..	..	..	..	..	861,401
Research Funds .. .. .	..	..	..	..	..	..	..	42,770
Capital Funds .. .. .	..	..	..	..	..	..	..	5,694,111
Other Funds .. .. .	..	..	..	..	..	..	..	593,285
Total.. .. .	..	..	..	..	..	..	..	<u>7,915,788</u>

The major portion of this balance resulted from the surplus of \$4,684,815 on the year's operations in relation to Capital Funds. The surplus occurred when the balance of the Commonwealth and State grants was brought to account at the close of the 1970-72 triennium. Delays in the building programme of the University caused the grants to be unexpended.

La Trobe University.

The statement below gives details of the income and expenditure of the University for the calendar years 1971 and 1972.

		1971.	1972.
		\$	\$
<i>Income—</i>			
State Government Grants—			
General Purposes .. .. .	.. .. .	3,228,313	3,843,895
Building Purposes .. .. .	.. .. .	3,245,000	2,353,500
Special Purposes .. .. .	.. .. .	..	57,500
		6,473,313	6,254,895
Commonwealth Government Grants—			
General Purposes .. .. .	.. .. .	2,195,000	2,714,000
Building Purposes .. .. .	.. .. .	3,245,000	1,654,500
Special Purposes .. .. .	.. .. .	112,060	211,493
		5,552,060	4,579,993
Students' Fees .. .. .	.. .. .	831,337	1,176,105
Grants and Donations .. .. .	.. .. .	133,507	190,351
Other Income .. .. .	.. .. .	126,340	256,226
Residential Colleges (Net) .. .. .	.. .. .	11,539	Dr.6,833
Book Shop (Net) .. .. .	.. .. .	12,745	16,973
		1,115,468	1,632,822
Total Income .. .. .	.. .. .	13,140,841	12,467,710
<i>Expenditure—</i>			
Teaching and Research .. .. .	.. .. .	3,906,723	5,009,541
Library .. .. .	.. .. .	652,491	739,704
Administration .. .. .	.. .. .	1,778,834	2,182,532
Buildings and Grounds .. .. .	.. .. .	6,286,838	5,407,172
Sundry Expenditure .. .. .	.. .. .	93,702	178,306
		12,718,588	13,517,255
Total Expenditure .. .. .	.. .. .	12,718,588	13,517,255
<i>Balance—</i>			
		1971.	1972.
		\$	\$
Recurrent Funds .. .. .	.. .. .	145,232	Surplus 192,962
Building Funds .. .. .	.. .. .	393,490	Deficit 754,777
Research Vote .. .. .	.. .. .	19,393	Surplus 51,691
Grants and Donations .. .. .	.. .. .	33,435	Surplus 16,914
Other Funds .. .. .	.. .. .	130,511	Deficit 556,335
		422,253	1,049,545
		<i>Net Surplus</i>	<i>Net Deficit</i>

The accumulated Funds at 31st December, 1972, showed an overall net deficit of \$868,889. Details are :—

		\$	\$
<i>Surpluses—</i>			
Recurrent Funds .. .. .	.. .. .	224,461	
Capital Funds .. .. .	.. .. .	19,477	
Research Funds .. .. .	.. .. .	41,246	
Grants and Donations .. .. .	.. .. .	147,406	
		432,590	
<i>Less Deficit—</i>			
Other Funds .. .. .	.. .. .		1,301,479
Net Deficit .. .. .	.. .. .		868,889

The major portion of the accumulated deficit in relation to other Funds is due to the University's liability to repay debenture loans used to finance buildings and additions outside the building programme authorized by the Australian Universities Commission.

Victoria Institute of Colleges.

The Institute's Income and Expenditure for the calendar years 1971 and 1972 are detailed below :—

	1971.	1972.
	\$	\$
<i>Income—</i>		
State Government Grants—		
General Purposes	229,715	262,021
Special Purposes	27,201	5,297
	256,916	267,318
Commonwealth Government Grants—		
General Purposes	124,168	141,633
Special Purposes	27,200	2,863
	151,368	144,496
Grants and Donations	51,901	42,282
Other	9,996	9,440
	470,181	463,536
<i>Expenditure—</i>		
Administrative and General Overhead—		
Salaries	240,935	273,908
Other Administrative Expenditure	38,565	58,323
	279,500	332,231
Libraries—		
Salaries	4,722	6,378
Books, Publications, &c.	1,206	2,157
	5,928	8,535
Buildings and Grounds—		
Capital	54,401	8,160
Recurrent	58,560	59,507
	112,961	67,667
Miscellaneous	12,761	15,640
	411,150	424,073
<i>Surplus—</i>		
	59,031	39,463

Accumulated Funds at 31st December, 1972, amounted to \$164,960 and comprised Recurrent Funds \$67,302, Gifts and Donations \$80,833 and Other Funds \$16,825.

The funds were represented by the following assets :—

	\$
Investments	96,500
Sundry Debtors	25,277
Cash	55,698
	177,475
Less Sundry Creditors	12,515
	164,960

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 1969-1972 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 audited accounts of the various Colleges and information supplied by the Education, Forests and Agriculture Departments, compares the sources and disbursement of funds for the past two calendar years.

1971. \$							1972. \$
	<i>Sources of Funds—</i>						
	Grants—						
17,637,117	For Recurrent Purposes	..	..	..	..	..	20,889,276
11,299,074	For Capital Purposes	..	..	..	..	..	8,194,894
103,741	For Library Acquisitions	..	..	..	..	..	91,290
1,617,873	Tuition Fees	..	..	..	..	..	2,081,114
132,353	Other Income	..	..	..	..	..	77,624
30,790,158	Total Funds Available	..	..	..	..	..	31,334,198
	<i>Disbursement of Funds—</i>						
	Recurrent—						
13,054,576	Teaching (Salaries and Expenses)	..	..	..	..	..	15,261,325
1,937,905	Administrative and General Overhead	..	..	..	..	..	2,889,735
1,038,349	Libraries (Salaries, Acquisitions &c.)	..	..	..	..	..	1,215,444
140,808	Halls of Residence (Salaries and Operating Expenses)	..	..	..	..	..	156,185
2,603,266	Buildings, Premises and Grounds (Salaries, Maintenance Staff, Equipment, Rent, &c.)	..	..	..	..	..	3,171,023
835,388	Miscellaneous (Student Services, Salary Ancillary Charges, &c.)	..	..	..	..	..	1,332,249
19,610,292							24,025,961
	Capital—						
9,360,733	Buildings	..	..	..	..	..	5,903,388
748,133	Land and Property	..	..	..	..	..	269,574
1,135,816	Equipment	..	..	..	..	..	1,174,806
11,244,682							7,347,768
84,495	Library Acquisitions	..	..	..	..	..	75,420
30,939,469	Total Funds Disbursed	..	..	..	..	..	31,449,149
149,311	Deficit						Deficit 114,951

FORESTS COMMISSION.

The expenditure of the Department from the Consolidated Fund for the year was \$16,286,230 against which there were receipts of \$7,497,056, resulting in a net outgoing of \$8,789,174 compared with \$7,645,433 for the previous year. Details of expenditure and receipts for the two years are :—

<i>Expenditure.</i>							1971-72.	1972-73.
							\$	\$
Special Appropriation—								
Pensions	..	..	..	..	..	276,869	322,817
Grants to the Forestry Fund	..	..	..	..	..	3,052,084	3,184,922
Debt Charges	..	..	..	..	..	2,988,320	3,121,054
							6,317,273	6,628,793
Vote—								
Salaries and Payments in the nature of Salary	..	..	..	..	..	3,563,674	4,054,453
Pay-roll Tax	..	..	..	..	..	115,663	146,582
School of Forestry	..	..	..	..	..	58,810	64,200
Other Administrative Expenses	..	..	..	..	..	158,535	174,590
Utilization of Forest Produce	..	..	..	..	..	884,965	845,029
Contribution to the National Sirex Fund	..	..	..	..	..	25,000	22,500
Contribution—Timber Promotion Committee	..	..	..	..	..	72,500	72,034
Sundry	..	..	..	..	..	25,690	28,349
							4,904,837	5,407,737
Works and Services Account—								
Plantations	..	..	..	..	..	2,133,951	2,131,921
Extraction Roads	..	..	..	..	..	418,885	456,484
Fire Protection	..	..	..	..	..	387,773	878,735
General Operations, &c.	..	..	..	..	..	638,454	689,177
Advances—Farm Forestry	..	..	..	..	..	42,937	93,383
							3,622,000	4,249,700
Total Expenditure	..	..	..	..	..	14,844,110	16,286,230
<i>Receipts.</i>								
Rents, &c.	..	..	..	..	..	159,341	160,687
Royalties	..	..	..	..	..	5,944,827	6,209,156
Sale of Forest Produce	..	..	..	..	..	912,804	894,469
Loan Repayments	..	..	..	..	..	22,704	57,906
Other	..	..	..	..	..	159,001	174,838
							7,198,677	7,497,056
Total Receipts	..	..	..	..	..	7,198,677	7,497,056
Net Outgoing	..	..	..	..	..	7,645,433	8,789,174

The figure shown for School of Forestry for 1972-73, \$64,200, is the net expenditure after taking into account a credit of \$27,520 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. This Act authorized an Agreement under which the Commonwealth would provide financial assistance to the State over the five-year period commencing 1st July, 1966. The total "cost of planting" by the State to 30th June, 1971, amounted to \$6,347,611, of which \$2,204,198 was advanced by the Commonwealth.

Pursuant to the Commonwealth's *Softwood Forestry Agreements Act* 1972, a second Agreement between the Commonwealth and the State, retrospective to 1st July, 1971, has been authorized. The Schedule to the Act contains the annual programme of planting by the State over a five year period ending 30th June, 1976, the terms on which the advances are made, the interest payable and the terms of repayment.

To 30th June, 1973, expenditure under the current Agreement, met by the State from the Works and Services Account, amounted to \$3,341,666 and advances received from the Commonwealth totalled \$732,990. A further advance of \$700,000 was received on 2nd July, 1973.

TRUST ACCOUNTS.

Forestry Fund.

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

	1971-72.	1972-73.
	\$	\$
Balance 1st July	103,841	183,833
Grants from the Consolidated Fund	3,052,084	3,184,922
	3,155,925	3,368,755
Expenditure—		
Forest Protection	492,950	443,166
Silvicultural Works	30,007	88,729
Road Works	336,831	425,960
Plantations and Nurseries	126,229	111,164
Forest Recreation .. .. .	..	107,819
Maintenance of Buildings	68,283	51,415
Purchase and Maintenance Motor Vehicles and Equipment..	577,179	681,484
Utilization	146,454	..
Supervision	398,345	512,690
Operating and Other Expenses	748,314	823,846
Contribution—Timber Promotion Committee	47,500	47,034
	2,972,092	3,293,307
Balance 30th June	183,833	75,448

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, 1973, Victoria contributed as its share the sum of \$399,430. From the Fund, Victoria received, to 30th June, 1973, a total of \$2,259,100 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, 1973, amounted to \$2,258,750 and the balance remaining in the Account was \$350.

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, 1973, was \$231,378.

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, 1972	563,434
Plant Hire—Renewals and Replacements Component	310,760
Sale of Plant	51,101
	<hr/>
	925,295
<i>Less Expenditure on Renewals</i>	<i>365,060</i>
	<hr/>
Balance 30th June, 1973	560,235
	<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 \$150,901 and expenditure charged totalled \$136,749. At the close of the year, the balance at credit of the Account was \$21,502.

Timber Promotion Committee Trust Account.

Amounts paid into the Account included appropriations from the Consolidated Fund of \$72,034 and a contribution from the Forestry Fund of \$47,034. Expenditure in 1972–73 amounted to \$106,577, and at 30th June, 1973, the balance in the Account was \$123,544.

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. The Forests Commission is seeking amendments to the Act to rectify the position.

GOVERNMENT PRINTER.

Income from printing, sales of publications, &c., for the year amounted to \$4,963,059 compared with \$3,820,538 in 1971-72.

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 profit of \$78,707 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.

<i>Item.</i>	1971-72.	1972-73.
	\$	\$
Materials	1,125,229	1,589,939
Salaries and Wages (including Pay-roll Tax)	2,150,895	2,566,372
Insurance—Workers Compensation	9,427	12,369
Insurance—Fire	2,822	2,733
Power, Fuel and Light	37,615	37,832
Repairs to Buildings and Plant	30,382	38,243
Sundry Charges	52,539	68,498
Postage and Incidentals	80,709	84,213
Depreciation on Plant and Machinery	68,348	56,939
Work—Other than by Government Printer	254,208	427,214
Management Consultant's Fees	12,741	..
	<hr/>	<hr/>
	3,824,915	4,884,352
Profit .. .. .	..	78,707
Loss	4,377	..
	<hr/>	<hr/>
Turnover	3,820,538	4,963,059

The total cost of plant and machinery met from loan funds to 30th June, 1973, was \$1,468,264. The Printing Machinery Depreciation Fund established in connection with this plant had a balance of \$219,088 at 30th June, 1973.

Government Printing Office Working Account.—This trust account was opened at the beginning of the year with an allocation of \$500,000 working capital. During 1972-73 all collections of the Printing Office which hitherto had been paid to the Consolidated Fund were paid to this account.

I am of the opinion that this diversion of collections, which are of a revenue nature, from Consolidated Fund to a trust account is not in conformity with the Audit Act and requires legislative authority.

Operating expenditure was met from the account except that relating to the Departmental Advertising Account. At 30th June, 1973, the credit in the Working Account was \$755,289.

HEALTH.

Total expenditure from the Consolidated Fund upon health services for the year ended 30th June, 1973, excluding that of the Hospitals and Charities Commission and the contributions to the Hospitals and Charities Fund, which are discussed later, was :—

	\$	\$
Special Appropriation—		
Salary of Director of Tuberculosis	19,800	
Pensions	1,228,816	
	<hr/>	1,248,616
Vote—		
Health—Salaries, General Expenses, &c.	57,233,639	
Treasury—Workers Compensation Insurance, Payroll Tax	339,283	
Public Works—Maintenance, Rents, &c.	172,205	
	<hr/>	57,745,127
Works and Services Account—Capital Items, &c. .. .. .	..	6,479,847
		<hr/>
		65,473,590

Receipts, including the sum of \$1,025,847 advanced by the Commonwealth under the Tuberculosis Arrangement in respect of the quarter ended 30th June, 1973, and credited at the State Treasury in July, 1973, amounted to \$10,120,385. The net cost to the Consolidated Fund of health services provided by the Department of Health was \$55,353,205, an increase of \$6,417,843 compared with the previous year.

For the purpose of this Report, departmental finances are dealt with under the branch headings—General Health, Tuberculosis, Maternal and Child Welfare, Mental Hygiene and Alcoholism and Drug Dependency Services. Central administrative costs of the Department of Health 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 :—

	1971-72. \$	1972-73. \$
Special Appropriation and Vote—		
Central Administration (including pensions*)	1,452,880	1,750,527
Cancer Institute—Maintenance, &c.	3,228,000	3,739,258
Infectious Diseases	408,403	384,287
Venereal Diseases	121,806	126,770
Inspection of Buildings, Food Supervision, &c.	1,161,966	1,248,274
Miscellaneous Grants	895,253	892,145
Subsidies—Home Help Scheme, Centres for Elderly People, &c... .. .	1,176,803	1,574,704
Works and Services Account—		
Cancer Institute	401,432	754,998
Bush Nursing Hospitals	284,119	437,666
Elderly Citizens' Centres	54,736	366,572
Other	74,551	80,371
	<hr/>	<hr/>
	9,259,949	11,355,572

Receipts in the same period were :—

Rental—Lincoln House	98,132	73,632
Registration and other Fees	234,779	271,181
Commonwealth Grants—Home Care Services	137,000	390,273
Elderly Citizens' Centres (including Welfare Services)	11,184	239,373
Other Receipts	25,969	31,822
	<hr/>	<hr/>
	507,064	1,006,281
	<hr/>	<hr/>
The net cost to the Consolidated Fund was	8,752,885	10,349,291

* Includes Mental Hygiene Pensions.

Rental in respect of Lincoln House for the quarter ended 30th June, 1973, was not received prior to the close of the financial year and was still outstanding at the date of preparation of this Report. There appears to be some doubt whether the present occupier, the recently constituted Lincoln College, will be required to continue the rental payments.

Tuberculosis Branch.

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

	1971-72.	1972-73.
	\$	\$
Special Appropriation and Vote—		
Operation of sanatoria, tuberculosis wards, bureaux, mass X-ray services, &c. 	3,793,392	3,970,164
Works and Services Account—		
State sanatoria and clinics, &c. 	204,975	162,741
	3,998,367	4,132,905
Receipts for the corresponding periods are compared thus :—		
Commonwealth recoup under <i>Health Act</i> 1958—Maintenance ..	3,143,090	3,211,047*
Capital ..	264,614	126,998†
Other 	164,222	192,603
	3,571,926	3,530,648
The net cost to the Consolidated Fund was 	426,441	602,257

* Includes \$1,019,800 in respect of the June quarter received in July, 1973.

† Includes \$6,047 in respect of the June quarter received in July, 1973.

Progress payments to 30th June received from the Commonwealth to recoup 1972-73 maintenance and capital expenditure amounted to \$2,131,866. Of the balance outstanding at 30th June, 1973, \$1,025,847 was received in July, 1973 and a claim for the remainder, \$280,136, 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 :—

	1971-72.	1972-73.
	\$	\$
Vote—		
School Medical and Dental Services, &c. 	2,317,317	2,626,677
Subsidies—infant welfare centres, kindergartens, pre-school centres, crèches, &c. 	5,178,697	6,250,537
Works and Services Account—		
Subsidies—capital expenditure on pre-school centres, &c. ..	406,000	356,601
Other 	9,906	40,595
	7,911,920	9,274,410
Receipts for the corresponding periods were 	13,547	16,465
The net cost to the Consolidated Fund was 	7,898,373	9,257,945

Mental Hygiene Branch.

Gross expenditure by this Branch from the Consolidated Fund was \$40,143,477, and after taking into consideration receipts of \$5,558,739, the net cost of mental health services was \$34,584,738, as compared with \$31,857,663 in the previous year.

In 1971-72 figures in relation to alcoholism and drug dependency services were included with those of the Mental Hygiene Branch. In 1972-73 the comparable figures have been included under a separate Branch heading.

The gross expenditure for the two years comprised charges to :—

Vote—	1971-72. \$	1972-73. \$
Health—Salaries and Payments in the nature of Salary	26,836,644	29,887,024
General Expenses	5,673,602	5,740,183
Child Endowment Transfer	116,664	102,024
	32,626,910	35,729,231
Treasury—Workers Compensation Insurance	175,684	180,393
Public Works—Maintenance and Rents	44,631	52,550
Works and Services Account	3,926,006	4,181,303
	36,773,231	40,143,477

Receipts credited to the Branch in the past two years were :—

	1971-72. \$	1972-73. \$
Maintenance of patients—principally Commonwealth payments on account of pensioners in excluded wards and repatriation patients	3,428,371	4,082,525
Commonwealth Contribution—Buildings and equipment for State institutions and grants for capital works to other institutions ..	827,695	830,550
Accommodation and Meals	370,872	320,181
Commonwealth Pharmaceutical Benefits	222,281	243,943
Sales of Produce	23,456	21,595
Other	42,893	59,945
	4,915,568	5,558,739
Net Cost to the Consolidated Fund was	31,857,663	34,584,738

In May, 1972, deductions from salary for the provision of staff meals ceased and all meals are now paid for as partaken, by presentation of meal tickets purchased at the Institution. Departmental officers are of the opinion that this was the main reason for the reduced revenue from accommodation and meals.

Particulars of expenditure under classified heads for the same period are:—

Vote—	<i>Item.</i>	1971-72. \$	1972-73. \$
Salaries		23,598,641	26,029,421
Overtime and penalty rates		2,979,938	3,491,909
Payments in lieu of long service leave		258,065	365,694
		26,836,644	29,887,024
Provisions and extra articles		2,297,569	2,324,378
Clothing, bedding, &c.		447,671	408,246
Stores, &c.		540,369	580,070
Fuel, light and water		982,944	921,195
Drugs and medicines		600,554	680,903
Repairs, maintenance and rents		44,631	52,550
Boarded-out patients		275,000	270,000
Other		705,179	735,784
Transfer to Intellectually Handicapped Children's Amenities Account ..		116,664	102,024
		32,847,225	35,962,174
Works and Services Account—			
Buildings and equipment of State institutions		3,339,965	3,685,421
Grants for Capital Works—Other institutions		586,041	495,882
		36,773,231	40,143,477

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 provided that the Commonwealth would 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 1972-73 under these provisions, the State received \$830,550 as part recoup of the sums expended during the year. These arrangements expired on 30th June, 1973, and, at the date of preparation of this Report, had not been renewed.

Expenditure additional to that from the Consolidated Fund and for the following purposes was met from the Mental Hospitals Fund :—

	\$
University of Melbourne—Mental Health Research	14,000
Other Institutions—Grants for maintenance	1,711,584
	1,725,584

Alcoholism and Drug Dependency Services Branch.

The Alcoholism and Drug Dependency Services Branch was established as a separate branch of the Department of Health in 1972-73. In the previous year figures relating to the cost of providing these services were included under the General Health and Mental Hygiene Branches and comparative figures for 1971-72 have not therefore been shown in the following statements.

Expenditure of the Branch in 1972-73 comprised :—

<i>Item.</i>	1972-73.
Vote—	\$
Salaries	339,743
Overtime	27,309
Payments in lieu of Long Service Leave	11,245
Total Payments in the nature of Salary	378,297
Provisions and extra articles	18,968
Clothing, bedding, &c.	1,572
Stores, &c.	12,044
Fuel, light and water	17,069
Drugs and medicines	953
Repairs, maintenance and rents	984
Boarded-out patients	333
Grant—Alcoholism Foundation of Victoria	30,000
Other	8,007
	468,227
Works and Services Account—	
Buildings and equipment.. .. .	99,000
	567,227
Receipts of the Branch in the same period were :—	
Accommodation and meals	7,918
Other	335
	8,253
Net Cost to the Consolidated Fund was	558,974

In addition to the above, expenditure was met from the Drug Education Programme Trust Account for the following projects :—

	\$
Health Education Centre—Drug Dependency	92,523
Programme Evaluation Research	10,025
	102,548

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 \$107,993,172 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	23,057,111
Special Appropriation, Act No. 6390—Tattersall Receipts	7,509,217
Annual Appropriation, Division 620	73,477,000
Deductions from Premiums—Motor Car Third Party Insurance	2,188,447
	107,831,775
Balance forward from 1971-72	161,397
	107,993,172

Particulars of expenditure for 1971-72 and 1972-73 are shown in the following statement :—

	1971-72.	1972-73.
	\$	\$
Maintenance—		
Hospitals	78,425,716	94,718,739
Benevolent Homes and Hospitals for the Aged	5,905,133	6,061,879
Ambulance Services	1,620,000	1,755,000
Training Schools (Nursing, etc.)	749,850	860,432
Philanthropic Organizations	589,361	828,283
District Nursing Societies	552,000	644,320
Foundling Homes and Refuges	309,502	643,157
Hostels for the Aged	203,052	225,544
Blind, Deaf and Dumb Institutions	141,031	196,010
Institutes for Maternal and Infant Welfare	70,153	161,490
Medical Dispensaries	96,421	115,940
Other Institutions	155,300	159,683
Public Risk Insurance	156,084	183,094
Hospitals Superannuation Board	98,057	120,404
	89,071,660	106,673,975
Less Refund from Commonwealth Blood Transfusion Service	268,545	366,860
	88,803,115	106,307,115
Other—		
Costs Associated with Totalizator Receipts	80,065	113,212
Training of Officers	45,852	50,365
Recruitment and Training of Nurses	73,255	84,439
Post-graduate Training of Nurses	50,885	50,085
Administration Costs	875,318	969,431
	89,928,490	107,574,647

The balance in the Fund at 30th June, 1973, was \$418,525.

Details of payments from the Fund to individual institutions are given on pages 91 to 93 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 \$15,880,474. Details of payments from the Works and Services Account to individual institutions are shown in the Treasurer's Finance Statement, pages 125 to 127.

HOUSING.

Pursuant to the provisions of the *Housing Ministry Act* 1972, which came into operation on 2nd April, 1972, the Ministry of Housing was established for the better administration of the laws relating to housing in Victoria.

Responsibility for the administration of the Housing Commission, the Home Finance Trust, the Teacher Housing Authority and the Registry of Co-operative Societies was transferred to the Ministry. Later legislation provided for administrative responsibility for the Decentralized Industry Housing Authority also to vest in the Ministry.

Details relating to the Housing Commission and the Home Finance Trust are given in my Supplementary Report.

Teacher Housing Authority.

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 relevant Act, all land vested in the Minister of Education for providing housing accommodation of teachers, and teachers' 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 past two years is as follows:—

RECEIPTS.						1971-72.	1972-73.
						\$	\$
Balance 1st July	..	..	..	..	..	..	408,702
Treasurer of Victoria — advances under Works and Services Act	..	..	..	..	..	856,000	1,186,000
Education Department—rent collections	..	..	..	..	..	544,084	588,285
Sales of land and houses	..	..	..	..	..	14,691	43,675
Other	..	..	..	..	..	1,839	4,971
						1,416,614	2,231,633
PAYMENTS.							
Capital Expenditure	..	..	..	..	..	613,158	1,031,344
Maintenance of houses—							
Painting	..	..	..	..	..	60,865	170,059
Plumbing	..	..	..	..	..	64,533	99,011
Other	..	..	..	..	..	111,258	210,876
Rates	..	..	..	..	..	84,557	172,850
Administration	..	..	..	..	..	64,120	103,740
Payments to Consolidated Fund—Interest				..	..	..	267,805
				Repayment	..	..	74,625
Other	..	..	..	..	..	9,421	2,295
						1,007,912	2,132,605
Balance at 30th June	..	..	..	..	..	408,702	99,028

A Revenue Account and Balance Sheet as required by the Act have not yet been prepared for the year ended 30th June, 1973. 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.

The Balance Sheet as at 30th June, 1972, which was not available at the time of presentation of my 1971-72 Report, is summarized below :—

						\$	\$
Source of Funds—							
External—Government of Victoria	..	..	..	..	..	..	9,680,000
Internal—Maintenance Provision	..	..	..	..	..	235,000	..
Accumulated Surplus ..	..	..	..	..	..	11,761	..
						<hr/>	246,761
							<hr/>
							9,926,761
							<hr/>
Represented by—							
Fixed Assets—							
Land and Buildings	..	..	..	..	..	9,607,113	
Furniture and Fittings	..	..	..	..	..	3,866	
Equipment	..	..	..	..	..	1,361	
						<hr/>	9,612,340
Current Assets—							
Cash	..	..	..	..	..	408,717	
Debtors	..	..	..	..	..	17,306	
Stock	..	..	..	..	..	802	
						<hr/>	
						426,825	
<i>Less Current Liabilities—</i>							
Creditors	..	..	..	..	..	112,380	
Rents in Advance	..	..	..	..	..	24	
						<hr/>	314,421
							<hr/>
							9,926,761
							<hr/>

The following note concerning a Balance Sheet item was added to and formed part of the Balance Sheet—

Land and Buildings—\$9,000,000. The land and buildings taken over by the Authority from the Education Department as at 1st July, 1971, have been taken into the books at a provisional valuation of \$9,000,000 until such time as an actual valuation is carried out.

Decentralized Industry Housing Authority.

The Decentralized Industry Housing Authority was established during the year under the provisions of the *Decentralized Industry (Housing) Act 1973*, which came into operation on 19th April, 1973.

The main purpose of the Authority is to provide housing for persons employed in country industries.

The Decentralized Industry Housing Fund was established in the Treasury during the year by a credit of \$400,000 provided as a loan from the Housing Commission's Death Benefit moneys. There was no expenditure from the Fund to the 30th June.

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 lifts and cranes, boilers and pressure vessels, factories, shops and other premises. Various Wages Boards, the Apprenticeship Commission, the Industrial Appeals Court, the Industrial Safety Advisory Council, the Consumer Affairs Council and the Consumer Protection Bureau 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—	1971-72.	1972-73.
	\$	\$
Labour and Industry—Salaries, General Expenses, &c. ..	2,075,517	2,457,993
Treasurer—Workers Compensation Insurance, Pay-roll Tax ..	66,671	77,152
Public Works—Maintenance and Rent of Buildings ..	61,167	133,379
	2,203,355	2,668,524

Receipts during the corresponding two years were as follows :—

Registration and Inspection Fees—	\$	\$
Factories and Shops, Lifts and Cranes, Boilers, &c.	1,276,093	1,470,818
Other	17,306	14,913
	1,293,399	1,485,731
Net Cost to the Consolidated Fund was	909,956	1,182,793

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 \$4,396,358 compared with \$4,179,887 in the previous year. Details are as set out hereunder :—

	1971-72.	1972-73.
	\$	\$
Land Revenue—		
Fees for various licences and leases, &c.	2,438,201	2,540,659
Proceeds of sales of land	526,638	505,469
	<u>2,964,839</u>	<u>3,046,128</u>
Land Revenue for credit to the Mallee Land Account	94,597	102,135
Repayments of principal by settlers under the Closer Settlement Acts ..	107,856	130,740
Interest payments by settlers on Loan Liabilities under the Closer Settlement Acts	75,884	68,143
Repayments of principal—Other Advances	4,817	31,018
Interest on Other Advances	439	228
Licences to occupy water frontages—for credit to the Rivers and Streams Fund	99,614	96,680
Recoups on account of—the services of survey personnel for the Housing Commission ; survey services and costs associated with the administration of the Closer Settlement Insurance Fund	436,131	560,312
Miscellaneous Receipts including rental Ballarat Guncotton Factory, admission to Buchan Caves, sales of government and other property and rentals of departmental houses, &c.	178,779	173,763
Survey Fees, &c.	55,373	60,738
Premiums for credit to the Closer Settlement Insurance Fund	17,754	14,915
Moneys for specific purposes including funds made available by Wool and Wheat Research Committees, &c., for credit to Treasury Trust Accounts	119,212	96,557
Collections on account of North West Mallee Water Rates and Wire Netting Cash Sales	16,040	5,734
Road Loading Charges—Improvement Purchase Leases	6,010	7,893
Receipts on account of Assurance Fund	2,542	1,374
	<u>4,179,887</u>	<u>4,396,358</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 \$9,296,566, compared with \$7,211,241 in the previous year. Details are :—

	1971-72.	1972-73.
	\$	\$
Vote—		
Lands and Survey—Salaries, Expenses, Other Services ..	5,274,714	5,498,368
Treasurer—Workers Compensation Insurance, Payroll Tax ..	256,628	295,551
Public Works—Maintenance and Rent of Buildings ..	13,676	13,687
Works and Services Account—		
Vermin and Noxious Weeds, Surveys, &c.	1,666,223	3,488,960
	<u>7,211,241</u>	<u>9,296,566</u>

TRUST FUND EXPENDITURE.

Disbursements by the Department from Treasury Trust Funds included :—

- (i) \$71,016 from joint Commonwealth and Industry Research Funds, namely, Vermin (Rabbit) Control, \$38,987 ; Skeleton Weed Control, \$8,175 ; and Fox and Dingo Control, \$23,854.
- (ii) \$13,805 in meeting claims and administrative expenses on account of the Closer Settlement Insurance Fund.
- (iii) \$488,036, expenditure from Commonwealth Grant Rural Employment (1971) Trust Account.

CLOSER SETTLEMENT.

The Revenue Account of the settlement scheme being carried out under the provisions of the *Closer Settlement Act 1938*, disclosed a deficit for the year of \$2,035,891, and the accumulated deficit was, as a result, increased to \$129,555,167.

Each year, interest is payable by the Treasury on outstanding Works and Services expenditure, but, because of the heavy writing off of settlers' liabilities in the past, it is recoverable only in part. A summary of the Revenue Account is shown hereunder :—

	\$	\$
<i>Expenditure—</i>		
Interest on loans	4,226,521	
Administrative costs	62,980	
	<hr/>	4,289,501
<i>Income—</i>		
Interest charged on outstanding liability of settlers	2,226,220	
Sundry items of income	27,390	
	<hr/>	2,253,610
Deficit .. .. .	..	<hr/><u>2,035,891</u>

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, 1972, was \$703,621. Premiums received during the year amounted to \$14,915. Expenditure consisted of Claims, \$6,638, and Administration Expenses, \$7,167. The balance in the Fund at 30th June, 1973, was \$704,731.

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 1972-73 amounted to \$15,692,647. 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 :—

	1971-72.		1972-73.	
	\$	\$	\$	\$
Crown Law Offices and Crown Solicitor's Office ..		1,827,255		2,070,737
Courts—				
Administration	5,718,827		6,457,275	
Allowances to Witnesses	186,809		213,712	
Payments to Jurors	614,927		697,337	
Professional Assistance	249,081		399,996	
Court Reporting	338,756		353,548	
Other Costs, including expenditure of a capital nature	873,574		1,055,994	
		<u>7,981,974</u>		<u>9,177,862</u>
Office of the Public Trustee		960,366		1,188,437
Titles Office		2,214,742		2,575,802
Companies Registration Office		573,413		679,809
		<u>13,557,750</u>		<u>15,692,647</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 1971-72 and 1972-73, with the exception of fees and commissions collected in the Office of the Public Trustee, were :—

	1971-72.	1972-73.
	\$	\$
Fees, Titles Office	3,528,822	4,480,987
Fees, Registrar of Companies	2,667,443	3,334,365
Fees, Registrar-General	251,296	248,033

The accounts of the Public Trustee are discussed 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 :—

	1971-72. \$	1972-73. \$
Local Government—		
Salaries and Allowances	414,371	449,432
Overtime and Penalty Rates	13,213	17,077
Travelling (including Motor Vehicles)	24,594	21,881
Fees and Expenses—Boards and Committees	84,662	113,062
Other Administrative Expenses	40,539	57,663
Works and Services Account—Subsidies to Municipalities, &c.	1,834,390	2,994,506
Total Local Government	2,411,769	3,653,621
Town and Country Planning Board—		
Salaries and Allowances	344,228	449,534
Overtime and Penalty Rates	962	997
Other Administrative Expenses	57,013	70,228
Total Town and Country Planning Board	402,203	520,759
Weights and Measures—		
Salaries and Allowances	252,826	272,703
Overtime and Penalty Rates	642	..
Travelling (including Motor Vehicles)	48,535	48,086
Materials and Equipment	2,972	2,312
Other Administrative Expenses	17,374	18,985
Works and Services Account—Equipment, &c.	32,898	11,173
Total Weights and Measures	355,247	353,259
Valuer-General—		
Salaries and Allowances	533,823	657,490
Overtime and Penalty Rates	782	798
Travelling (including Motor Vehicles)	50,137	57,631
Fees and Expenses—Boards and Committees	1,148	1,098
Other Administrative Expenses	42,308	48,673
Total Valuer-General	628,198	765,690
Total Local Government Department	3,797,417	5,293,329

RECEIPTS.

Receipts for the year amounted to \$267,715 compared with \$207,683 in the previous year. Details are shown in the following statement :—

	1971-72. \$	1972-73. \$
Charges for Departmental Services—		
Municipal Auditors Board Fees, &c.	6,122	5,151
Weights and Measures Branch	134,931	148,956
Property Sales Information	141,053	154,107
Miscellaneous	59,042	109,136
	7,588	4,472
	207,683	267,715

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 1972-73 resulted in a revenue surplus of \$524,916, an increase of \$35,676 on the comparable figure for 1971-72.

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 1972-73 are subject to audit.

1971-72.					1972-73.	
\$					\$	\$
<i>Revenue.</i>						
1,165,201	Milk Trading Revenue	..	..	..	..	1,267,908
40,512	Milk Shop Licence Fees	..	..	..	..	41,016
8,000	Rentals	..	..	..	..	5,333
1,213,713						1,314,257
<i>Expenditure.</i>						
275,881	Salaries	..	..	..	..	308,619
8,040	Pay-roll Tax	..	..	..	..	9,965
1,720	Rental of Premises	..	..	..	..	3,409
17,243	Travelling Expenses	..	..	..	..	13,651
27,632	General Expenses	..	..	..	..	45,679
375,000	Publicity Account—Appropriation	..	..	..	..	375,000
6,000	Improving Quality of Milk—Paid to Department of Agriculture	..	..	..	..	6,000
10,178	Building Maintenance	..	..	..	..	21,586
139	Interest	..	..	..	..	..
2,640	Depreciation	..	..	..	..	5,432
724,473						789,341
489,240	Surplus for the Year	..	..	..	..	524,916

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 \$290,502.

The Board's balances as at 30th June, 1972, and 30th June, 1973, were :—

30.6.72.					30.6.73.	
\$					\$	\$
3,481,205	Sundry Creditors—Trade	..	..	..	..	3,790,266
23,948	Sundry Creditors—Other	..	..	..	..	29,991
22,099	Milk Shop Licences Paid in Advance (Net)	..	..	..	..	17,571
3,527,252						3,837,828
Accumulated Funds—						
Accumulation Fund—						
1,724,772	Balance Brought Forward	..	..	..	..	2,214,012
489,240	Revenue Surplus for the Year	..	..	..	..	524,916
2,214,012						2,738,928
478,720	Publicity Account	..	..	..	..	563,218
2,692,732						3,302,146
6,219,984						7,139,974
2,160,129	Milk Board Fund—Balance at Treasury	..	..	..	..	2,776,746
3,596,418	Sundry Debtors—Trade	..	..	..	..	3,912,136
10,997	Office Equipment, Furniture and Fittings <i>less</i> Depreciation	..	..	..	..	11,096
44,613	Motor Vehicles <i>less</i> Depreciation	..	..	..	..	44,721
346,315	Land and Buildings at Cost	..	..	..	..	346,315
60,884	Publicity Plant and Equipment <i>less</i> Depreciation	..	..	..	..	48,393
628	Publishing Stocks on Hand	..	..	..	..	567
6,219,984						7,139,974

Trade debtors and creditors, for the most part, resulted from trading operations for the month of June, 1973.

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 :—

	1971-72.	1972-73.
	\$	\$
Land Revenue—		
Royalties—Submerged Lands	23,710,736	25,205,556
Mining Leases, Rents, &c.	208,117	192,630
Extractive Industries, &c.	145,646	118,355
Other	27,885	30,140
	24,092,384	25,546,681
Boring and Crushing Fees	44,255	51,658
Explosives Licences and Fees	49,907	53,862
Sale of Government Property	15,909	19,950
Repayment of Loans	3,514	13,918
Sundries	10,929	14,232
	24,216,898	25,700,301

Petroleum Royalties—Submerged Lands.

The *Petroleum (Submerged Lands) Act 1967* provides for the exploration for and the exploitation of the petroleum resources of certain submerged lands adjacent to the coasts of the State. Initially, exploration permits were granted to a number of companies. Following the discovery of petroleum in the area, production licences were granted to two companies jointly.

The Act provides that royalty is payable at certain percentages of the value at the well-head of the petroleum recovered. Royalty paid by the two licensees in 1972-73 amounted to \$25,205,556, making a total of \$67,928,311 paid by them since the first royalty payment on petroleum in May, 1969. Of that total amount, \$20,929,996 has been paid to the Commonwealth, in accordance with the provisions of the Act.

Negotiations have been in course since late 1968 between the two licensees, on the one hand, and the Minister for Mines, who is the Designated Authority in terms of the Act, on the other, in an endeavour to arrive at a basis for agreement on principles to be applied in the future for determination of well-head value.

At present, the broad approach used in establishing well-head value is to deduct the licensees' costs incurred between the point of custody transfer of the petroleum and the well-head from the gross sales values of petroleum at the point of custody transfer. In accounting for the licensees' costs, allowances have been made for their direct operating costs, and depreciation and cost of capital.

The royalties which have already been paid to the State are subject to adjustment depending on further negotiation as to proposals which have been put to the licensees by the Designated Authority concerning the value which it is proposed be the well-head in terms of Section 152 of the Act, and concerning allowances which are to be made for cost of capital employed in the undertaking by the licensees.

The Designated Authority and the licensees have decided that, when final agreement on principles has been reached, and when the value at the well-head for future royalty periods is being calculated, the deductions allowed, costs incurred and revenue received from the time of commencement of the first royalty period will be taken into account.

EXPENDITURE FROM THE CONSOLIDATED FUND.

	1971-72.	1972-73.
	\$	\$
Special Appropriation—		
Payments to Commonwealth	7,548,183	7,883,979
	<hr/>	<hr/>
Vote—		
Administration—		
Salaries	1,195,366	1,350,203
Overtime and Penalty Rates	4,197	5,298
Travelling and Subsistence	38,748	50,235
Motor Vehicles—Purchase and Running Expenses	39,463	42,380
Other Administrative Expenses	117,732	166,767
	<hr/>	<hr/>
	1,395,506	1,614,883
	<hr/>	<hr/>
Miscellaneous—		
Maintenance, &c., State Batteries	3,496	3,499
Boring for Water, Coal and other Minerals, &c.	337,284	403,621
Geological Survey	17,480	17,627
Laboratory Expenses	5,732	5,723
Covering Abandoned Shafts	14,049	14,976
Surveys for Mineral Deposits	25,626	25,606
Advances for Gold Mining	10,000	..
Contribution to Coal Utilization Research	10,000	10,000
	<hr/>	<hr/>
	423,667	481,052
	<hr/>	<hr/>
Works and Services Account—		
Drilling Plant, &c.	303,851	301,159
	<hr/>	<hr/>
Total Expenditure	9,671,207	10,281,073
	<hr/>	<hr/>

Included in the departmental payments in 1972-73 is expenditure, estimated by the Department to be \$1,325,183, 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, and an amount of \$453,300 was received in July, 1973.

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 :—

	1971-72.	1972-73.
	\$	\$
Public Works Administration—		
Vote—		
Salaries	5,249,839	5,955,450
Overtime and Penalty Rates	107,046	146,935
Travelling and Subsistence	251,432	262,799
Other Expenses	530,912	638,399
Total Administrative Costs	<u>6,139,229</u>	<u>7,003,583</u>
Works and Buildings, Maintenance, Repairs, &c.	1,577,632	1,838,698
Rents and Allowances	1,278,035	2,049,739
Other Services	1,046,541	1,094,141
	<u>10,041,437</u>	<u>11,986,161</u>
Works and Services Account—Buildings, &c.	4,385,774	5,470,489
	<u>14,427,211</u>	<u>17,456,650</u>
 Ports and Harbors Administration—		
Vote—		
Salaries	575,929	656,180
Overtime and Penalty Rates	19,029	21,562
Travelling and Subsistence	42,922	47,999
Other Administrative Expenses	24,752	34,270
Total Administrative Costs	<u>662,632</u>	<u>760,011</u>
Wharves and Jetties, Maintenance, Repairs, &c.	106,443	106,499
Contribution to Portland Harbor Trust	580,000	785,000
Westernport—Operating Expenses	848,835	820,419
Other Services	173,299	157,402
	<u>2,371,209</u>	<u>2,629,331</u>
Works and Services Account—Capital Items	3,976,890	3,068,044
	<u>6,348,099</u>	<u>5,697,375</u>
Total Expenditure	<u>20,775,310</u>	<u>23,154,025</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 13·2 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 \$6,882,195. The comparable figure for 1971-72 was \$6,106,754 when the rate charged for design, supervision and administration was 12·45 per cent.

Expenditure by the Department from the Works and Services Account amounted to \$61,436,199, and from Trust and Special Funds \$15,152,067, a total of \$76,588,266, compared with a total of \$67,383,904 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		5,470,489
<i>Ports and Harbors—</i>		
Public Offices	11,756	
Foreshore Protection, Pollution Control, Wharves and Jetties ..	860,418	
Dredging, Blasting and Navigational Aids	1,580,139	
Vessels for Dredging	144,214	
Westernport Works, &c.	232,671	
Plant	238,846	
	<hr/>	3,068,044
		<hr/>
		8,538,533
		<hr/>

Public Offices (\$5,470,489).—Major items of expenditure were:—

	\$
<i>State Offices Complex—Treasury Reserve—</i>	
New Automatic Branch Telephone Exchange	319,019
Purchase and adaptation of premises—240 Victoria-parade	1,748,998
Purchase and adaptation of premises—Corpus Christi College, Werribee	933,334
Purchase and adaptation of premises—232 Victoria-parade	282,624

Westernport &c. Works (\$232,671).—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. The expenditure of \$232,671 during 1972–73 did not include any expenditure on this project, leaving the total expenditure at 30th June, 1973, at \$5,405,985.

TRUST AND SPECIAL ACCOUNTS.

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

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

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

	\$
(i) Technical Training and Equipment	3,174,640
(ii) Advanced Education	178,163
(iii) Science Laboratories and Equipment	1,520,253
(iv) Teachers' Colleges	5,204,924
(v) Secondary School Libraries	1,493,557
	<hr/>
	11,571,537
	<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, 1973, the position of this Account was :—

	\$
Cash funds available—held by Treasury	213,526
Value of stores on hand	350,459
Issues pending recoupment	83,847
	<hr/>
Funds made available by Treasury	647,832
Amount retained by Treasury to meet expenses, &c.	2,168
	<hr/>
Amount authorized by Legislation	650,000
	<hr/>

Public Works Plant and Machinery Fund.

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

The Fund is kept in two sections, namely, Renewals and Replacements, and Cost of Operating, Maintenance, &c., to each of which an appropriate allocation of the hire charges is made. At 30th June, 1973, the net balance of the Fund was \$654,572.

Agency Trust Funds.

Expenditure on projects from this source amounted to \$1,011,469. Major works carried out by the Department as agent included projects for :—

	\$
High School Assembly Halls	117,550
Technical School Assembly Halls	190,954
Attwood Veterinary Research Station	52,250
Bendigo Veterinary Diagnostic Laboratory	150,000
	<hr/>

RAILWAYS.

Under the provisions of the *Railways (Amendment) Act 1972*, which came into operation on 8th May, 1973, the Victorian Railways Board was incorporated and became the successor of the Victorian Railways Commissioners. Since its appointment, the financial transactions of the Board have continued to be processed through the Public Account.

In the year under review, railway operating expenses exceeded railway income by \$56,422,640.

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 1972-73 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.. .. .	148,619,110
Contribution to Renewals and Replacements Fund	400,000
Pension Contributions	7,307,862
Debt Charges	10,505,784
Total Expenditure	166,832,756
This was provided by—	
Ordinary Income	108,850,604
Payments by Treasury—	
For country freight charge concessions	286,000
For fares concessions—pensioners and students	1,250,000
For loss on Kerang-Koondrook line	23,512
	1,559,512
Total Receipts	110,410,116
Deficit for year	56,422,640

Railway records show a deficit of \$54,902,387. 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	56,422,640
<i>Less</i> —Increase during year in Sundry Debtors	1,520,253
Deficit, as shown in Railway Accounts	54,902,387

Railway operating expenses amounted to \$166,832,756. This sum exceeded the Budget estimate of \$161,717,350 and, on a comparable basis, was in excess of the previous year by \$18,381,263.

Operating Expenses.

Depreciation.—The depreciation for 1972–73 was assessed at \$8,691,289 but an amount of \$469,190 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 \$8,222,099 depreciation assessed, but not charged against operating expenses, brought the accumulated sum under-provided in the Railways accounts to \$112,338,732 at 30th June, 1973.

The total amount credited in the year to the Railway Renewals and Replacements Fund from depreciation charges and sales of materials &c., \$1,252,191, was expended in full. There was no balance to the credit of this Fund at 30th June, 1973.

To 30th June, 1973, renewals and replacements to a total of \$128,994,678 have been provided from the Fund and from allocations of loan moneys for rehabilitation works.

Accrued Leave.—Accrued leave increased by 59,552 days in 1972–73 and the estimated liability increased from \$6,004,605 as at 30th June, 1972 to \$8,355,014 as at 30th June, 1973. 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.

Debt Charges.

The Railways Board is 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 \$10,505,784.

Special Funds for Maintenance Expenditure.

Expenditure by the Department during 1972–73 of funds amounting to \$1,065,328 and provided from the following sources has not been included in the Receipts and Expenditure statement :—

Rural and Metropolitan Employment.—Expenditure of \$1,053,002 on maintenance works carried out as part of rural and metropolitan employment measures was charged to the Treasury Trust Accounts, Commonwealth Grant Rural Employment (1971), and Metropolitan Employment (1973).

Metric Conversion Costs.—Expenditure of \$12,326 was charged to the current Public Works and Services Act on account of general expenses and equipment expenditure in connexion with metric conversion costs.

Railway Income.

Collections on account of railway income amounted to \$110,410,116 which was \$3,779,884 less than the Budget estimate and \$1,556,489 less than the result for 1971–72.

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

	1971–72.	1972–73.
	\$	\$
Passengers	35,693,556	36,804,624
Parcels, &c.	3,407,483	3,803,332
Mails	909,905	707,495
Miscellaneous	100,712	91,105
Goods and livestock, &c.	64,551,698	62,029,342
Rents and general miscellaneous	3,085,281	3,177,758
Dining car and refreshment rooms services	3,592,174	3,807,748
Advertising	258,841	272,969
Bookstalls	1,085,456	1,138,653
Road motor services	71,384	73,832
	<u>112,756,490</u>	<u>111,906,858</u>

Treasury recoups of \$34,452 in 1971–72 and \$23,512 in 1972–73, 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 :—

	1971-72.	1972-73.
	\$	\$
Way and Works	8,747,915	7,780,146
Rolling-stock, Equipment, &c.	6,553,910	8,135,714
Construction of New Lines, &c.	142,409	103,945
	<hr/>	<hr/>
	15,444,234	16,019,805
	<hr/>	<hr/>

Rail Tracks, Rolling Stock, etc.

Expenditure for 1972-73 included \$12,607,932 in connexion with projects to reconstruct bridges, 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, 1972 and 1973 is as under :—

	1972.	1973.
	\$	\$
Rolling-stock, Plant, &c., at cost less depreciation provided ..	499,651,865	516,076,923
Stores and Materials	7,724,235	8,041,521
Partly-manufactured Articles	860,253	961,008
Refreshment Services, Stock and Equipment less provision for losses	662,716	625,657
Discounts and Expenses on Loans	7,443,113	7,435,319
Deferred Renewals, Replacements, and Maintenance Works ..	1,050,000	1,050,000
Funds at Treasury—		
Railway Accident and Fire Insurance Fund	200,000	200,000
Railway Charges in Suspense Account	5,821,156	5,259,606
Railways Stores Suspense Account	3,482,148	2,519,749
Railways Repayment Account	10,259	11,635
Advances held by Agent-General	8,543	48,515
Trust Securities	3,530,235	4,154,454
Cash at Stations and in Transit	478,864	686,239
Cash Advances	1,773,225	598,802
Revenue Debtors	6,645,810	7,898,894
Sundry Debtors	2,330,611	1,634,800
Accumulated Loss	258,019,340	313,987,054
	<hr/>	<hr/>
	799,692,373	871,190,176
	<hr/>	<hr/>
Loan Liability*	390,522,601	401,109,934
Funds for—		
Uniform Railway Gauge	30,537,624	30,441,787
Level Crossings	9,921,759	10,467,302
Boom Barriers	349,053	445,037
Other Special Purposes	13,722,240	13,722,240
National Debt Sinking Fund Reserve	71,139,291	76,336,379
Uniform Railway Gauge Reserve	1,062,376	1,158,213
Railway Accident and Fire Insurance Fund	200,000	200,000
Advances from the Public Account	1,428,598	1,400,188
Sundry Creditors	12,896,613	9,883,316
Trust Securities	3,540,494	4,166,089
Consolidated Fund, &c.	264,371,724	321,859,691
	<hr/>	<hr/>
	799,692,373	871,190,176
	<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 \$1,806,801 charged against Working Expenses. Expenditure from the Fund for the past two years was :—

	1971-72.	1972-73.
	\$	\$
Damages recovered by non-employees at law	145,256	172,874
Damages paid to non-employees without legal action	13,280	26,784
Compensation for injuries to employees	1,069,207	1,031,104
Compensation for goods lost or damaged	339,554	377,194
Compensation for losses by fires caused by railway operations	152,489	19,156
Losses by fire to railway property	216,180	179,689
	<u>1,935,966</u>	<u>1,806,801</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, 1973, 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	2,096,755
Taxation deductions, &c.	1,396,139
Sundry creditors for various services	1,229,125
Revenue rebates and refunds due	1,382,417
Amounts received in advance for works	453,143
	<u>6,557,579</u>
Debits—	
Expenditure on works for other bodies, &c.	1,217,663
Sundry debtors for sales and services	149,979
	<u>1,367,642</u>
	5,189,937
<i>Add—</i> Amount transferred from income	69,669
	<u>5,259,606</u>

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, 1973. The disposition of this amount was as follows :—

	\$	\$
Stock on hand—Railways Department	7,969,087	
Railway Construction Board	11,114	
	<u>7,980,201</u>	
Stores Stock Equalization Account		61,320
		<u>8,041,521</u>
<i>Less</i> Creditors		1,759,523
Stock		6,281,998
Stores sold and proceeds not collected		149,738
Advances to the Agent-General, London		48,515
		<u>6,480,251</u>
Balance held at Treasury		2,519,749
		<u>9,000,000</u>

The item, Stock on hand, \$8,041,521, represents stock financed from the Suspense Account pending issues for works or purposes, the expenditure on which is chargeable to Parliamentary Appropriations.

The balance held at the Treasury includes an amount of \$126,974 representing credits to the Stores Suspense Account in anticipation of future issues of stores.

Within the framework of the authorized account for the purchase and issue of railway stores, the Department has created an account known as the "Stores Stock Equalization Account" which had a balance of \$61,320, at 30th June, 1973. 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	84,548
Costing adjustments—manufactured items	36,996
Losses on sales of safety footwear	6,523
Sales of materials—profits	9,302
Amount charged to Working Expenses	118,765
Stores invoice adjustments to be absorbed	61,320

Debtors.—Revenue and Sundry.

The total of \$9,533,694 for these items as shown in the balance-sheet consists of :—

	\$
Revenue	7,898,894
Works	1,217,663
Sales of general stores	148,507
Sundry sales and services	149,979
Sales of land	118,651
	9,533,694

The above items include a number of accounts which have been outstanding for some 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 Board "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 Board from the Fund, including \$545,543 in the year 1972–73, was \$10,467,302 to 30th June, 1973. 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 \$9,883,316 are :—

	\$
Stores purchased for railways	1,759,523
Stores purchased for refreshment services	186,080
Salaries and wages accrued	2,096,755
Taxation deductions, &c.	1,396,139
Accounts for various services	1,229,125
Revenue rebates and refunds	1,382,417
Payments in advance for works	453,143
Payments in advance for revenue services, &c.	712,496
Cash accounts overdrawn	667,638
	9,883,316

The item, "Salaries and wages accrued", largely comprises pay accrued from 24th to 30th June, 1973.

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—1972-73</i>					
Vote	3,173,151	10,477,507	3,320,764	5,645,802	832,286
Works and Services Account	..	653,044	675,400	891,603	196,992
Total	3,173,151	11,130,551	3,996,164	6,537,405	1,029,278
<i>Expenditure—1971-72</i>	818,244	9,576,175	3,639,252	5,519,983	904,743

The revenue of the Department, \$696,701, varied little from the 1971-72 figure of \$698,319.

Expenditure of the Administration, Research and Statistics Division in 1972-73 exceeded that of the previous year by \$2,354,907. A new item, Fare Concessions for Pensioners, \$1,611,000, listed in previous years with Treasury expenditure, and increases of \$436,897 in salaries and allowances and \$150,016 in grants to welfare organizations were the main reasons for the excess.

Increases totalling \$1,554,376 occurred in the Family Welfare Division, the most significant of which were :—

	\$
Salary and overtime costs	427,413
The State's proportion of assistance paid under the provisions of the Commonwealth's <i>States Grants (Deserted Wives) Act 1968</i>	673,711
Grants, &c. in connection with State wards, &c. in children's homes	214,492

The greater part of the increase in the year's expenditure for the Prisons Division related to increased salary and overtime costs.

STATE DEVELOPMENT.

This Department, established in terms of the *State Development Act* 1970, is responsible for the control of State activities in the fields of Tourism, Industrial Development and Immigration. Previously administered functions of National Parks and Environment Protection were vested in the Ministry for Conservation during the year.

Tourism.

The State Development Act provides that moneys to the credit of the Tourist Fund established under the *Tourist Act* 1969 shall be applied to the administration of the State Development Act in so far as that Act relates to tourism. For this purpose, the Minister may make payments from and apportion, distribute, apply or lend any moneys in the Tourist Fund.

Credits to the Fund include a statutory levy on the Country Roads Board Fund, appropriations from the Consolidated Fund under the votes for State Development and Railways, a contribution from the Works and Services Account and fees and fines under the *Motor Boating Act* 1958.

The receipts and payments of the Tourist Fund for the past two years are summarized below :—

1971-72.					1972-73.	
\$	<i>Receipts.</i>				\$	\$
357,983	Balance forward .. .. .	..	..	..	..	489,738
	Contributions—					
657,891	From—Country Roads Board Fund .. .. .	..	..	..	..	685,912
	Consolidated Fund—					
	Vote—					
443,000	State Development .. .. .	..	..	..	622,000	
190,000	Railway Working Expenses .. .. .	..	..	..	190,000	
					812,000	
120,201	Works and Services Account .. .. .	..	..	..	15,246	
					827,246	
231,696	Commissions, &c. received from Tourist Bureaux operations .. .. .	..	..	..	..	236,631
161,855	Motor Boat Registration Fees and Fines (Net) .. .. .	..	..	..	350,022	
	Less Costs and Expenses of Collection and Administration .. .. .	..	..	..	172,009	
					178,013	
18,671	Interest on Loans to certain Bodies .. .. .	..	..	..	..	17,453
23,590	Loan Repayments .. .. .	..	..	..	..	21,443
34,662	Recoup of Costs—Metropolitan Transport Information Centre .. .. .	..	..	..	..	45,020
2,239,549						2,501,456
<i>Payments.</i>						
230,542	Developmental and Maintenance works authorized under the Act .. .. .	..	..	..	..	442,770
26,122	Special Grants to approved Bodies .. .. .	..	..	..	..	131,860
13,094	Advances to Public Works Department—Mt. Dandenong Project .. .. .	..	..	..	..	25,000
120,397	Publicity—net (excluding Tourist Bureaux advertising, &c.) .. .. .	..	..	..	..	114,051
10,000	Loans to certain Bodies .. .. .	..	..	..	..	51,080
101,255	Provision of motor boating facilities .. .. .	..	..	..	..	247,045
109,079	Installation of P.A.B.X. Switchboard .. .. .	..	..	..	..	43,369
	Administrative expenses—					
130,536	Head Office .. .. .	..	..	..	122,542	
1,008,786	Tourist Bureaux .. .. .	..	..	..	1,106,201	
					1,228,743	
					2,283,918	
248,010	Balance at the close of the year—General .. .. .	..	..	..	44,212	
241,728	Motor Boating .. .. .	..	..	..	173,326	
					217,538	
2,239,549						2,501,456

In addition to the balance of \$217,538 held at credit of the Fund at 30th June, 1973, unexpended advances to the Forests Commission and the Public Works Department for works amounted to \$12,520 and \$123,241 respectively. Of this latter sum, \$89,254 was in respect of motor boating.

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, 1972 (held in Tourist Fund) .. .. .	..	241,728
<i>Add</i> —Registration Fees	333,041	
Fines	17,191	
	<u>350,232</u>	
<i>Less</i> —Refunds	210	
	<u>350,022</u>	
<i>Add</i> —Loan Instalments—Redemption	1,752	
Interest	2,458	
	<u>4,210</u>	
		<u>595,960</u>
<i>Less</i> —Expenditure—	\$	
Provision of boating facilities—Grants and Subsidies	247,045	
Loan	3,580	
	<u>250,625</u>	
Cost of Administration—		
Transport Regulation Board	59,907	
Chief Secretary's Department	101,272	
Purchase of motor boats and equipment (net)	10,830	
	<u>172,009</u>	
		<u>422,634</u>
Credit at 30th June, 1973 (held in Tourist Fund) .. .. .	..	<u>173,326</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 \$824,550 compared with \$742,428 for the previous year. The cost of salaries and other administrative expenses, rents, maintenance and items of a capital nature was \$1,106,201 against which the bureaux earned commission and other income to a total of \$236,631 and received a recoup of \$45,020 in respect of the operations of the Metropolitan Transport Information Centre.

In 1972–73 a total of \$5,053,844 was remitted to the Treasury in respect of cash collections from all sources. This amount included \$4,764,740 in respect of tourist bureau business, of which \$1,508,076 was credited to Railway Income and \$3,256,664 to the Tourist Bureaux Trust Account. Collections in the previous year totalled \$4,825,571.

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, 1972	.. .. .	.. .. .	4,642,395
During the year—			
From the Consolidated Fund—			
Vote	.. .. .	.. .. .	200,000
			<u>4,842,395</u>
The Fund has been utilized as follows :—			
Expenditure to 30th June, 1972	.. .. .	.. .. .	4,598,205
During the year—			
Power and Light Subsidies	.. .. .	.. .. .	1,961
Freight Subsidies	.. .. .	.. .. .	166,175
Removal of Plant, Machinery, Furniture, &c.	.. .. .	.. .. .	30,765
Miscellaneous	.. .. .	.. .. .	15,890
			<u>214,791</u>
			4,812,996
The balance at 30th June, 1973, was	.. .. .	.. .. .	<u>29,399</u>
			<u>4,842,395</u>

Amounts advanced from the Fund and still to be repaid at 30th June, 1973, are shown hereunder :—

	Advanced to 30th June, 1973.	Repaid.	Outstanding 30th June, 1973.	Arrears.	
				Interest.	Principal.
	\$	\$	\$	\$	\$
Brickworks	10,551	1,833	8,718	4,056	8,718
Textile Industries	84,000	75,564	8,436	137	..
Foundries and Other Industries	103,143	59,746	43,397	27,183	43,397
	*197,694	137,143	60,551	31,376	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 \$144,895, compared with \$189,964, in 1971-72.

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 1970-73 is given in the table hereunder :—

—	Receipts, including Recoups.	Payments.				Net Outgoing.
		General.	Debt Charges.	Works and Services Account.	Total.	
	\$	\$	\$	\$	\$	\$
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
1972-73	19,403,812	17,590,162	23,991,403	17,469,931	59,051,496	39,647,684

As the summary indicates, there was, in 1972-73, an increase in payments of \$2,418,672 (including an increase of \$1,045,305 in debt charges) offset by an increase in receipts of \$934,233. Thus the net increase in the cash outgoing between 1971-72 and 1972-73 was \$1,484,439.

REVENUE.

A summary of the revenue from rates and charges for the supply of water for the period 1970-73 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.		
	\$	\$	\$	\$	\$
1970-71	3,383,644	8,188,777	13,137,338	11,174,196	1,963,142
1971-72	4,073,975	8,795,193	14,832,309	12,753,182	2,079,127
1972-73	3,739,131	8,947,655	14,765,913	13,246,017	*1,519,896

* Subject to adjustment in 1973-74.

It will be seen that there was a substantial decrease in the amount collectable under the heading—Water Sales and Miscellaneous. This was largely the result of a sharp decline in water sales in the Goulburn-Murray Irrigation District during the autumn period.

The following statement of the percentage of the 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.

	1971-72.	1972-73.
	%	%
Coliban Districts	96	93
Irrigation Districts	83	90
Waterworks Districts	91	90
Rural Districts	73	93
Urban Districts	84	85
Flood Protection Districts	94	94

A dissection of the total collectable sum and the amount thereof owing at 30th June, 1973, is given in the statement hereunder :—

	Total Collectable Sum.	Arrears 30. 6. 73.
	\$	\$
Coliban Districts	891,741	59,515
Irrigation Districts	7,732,806	680,833
Waterworks Districts	1,851,404	168,690
Rural Districts	78,611	5,509
Urban Districts	3,429,395	534,174
Flood Protection Districts	110,938	10,310
Sundries	671,018	60,865
	<u>14,765,913</u>	<u>1,519,896</u>

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

	1970-71.	1971-72.	1972-73.
	\$	\$	\$
From oncost at varying rates to a maximum of 12·5 per cent. . .	1,454,057	1,565,087	1,709,621
„ repayments on account of works temporarily financed from Consolidated Fund	297,688	350,173	447,822
„ salary recoups—River Murray Commission and various funds	1,519,290	1,650,795	1,781,371
	<u>3,271,035</u>	<u>3,566,055</u>	<u>3,938,814</u>

PAYMENTS.

Payments from the Consolidated Fund in 1972-73 on account of country water supply totalled \$59,051,496 and comprised salaries and payments in the nature of salary, \$9,831,290, debt charges, \$23,991,403, general expenses and other services, \$7,758,872 and Works and Services Account, \$17,469,931.

Expenditure from the Works and Services Account included the sum of \$11,469,041 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 ..	2,602,930
Mornington Peninsula System The extension of pipelines and reticulation ..	3,380,030
Roslynne Dam Project .. Construction of dam on Jacksons Creek ..	1,708,423
Otway System .. The extension of pipelines and reticulation ..	1,022,972

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

	\$
River Murray Salinity	9,173
King River Dam	Cr. 38,491
Water Resources Measurement	480,006
Millewa Pipelines	574,712
Rural Employment (including \$138,820 by way of re-imbusement to Local Authorities)	1,493,358

In respect of the River Murray Salinity and King River Dam works, the figures shown above incorporate adjusting credits in respect of charges for administrative oncost since the commencement of the projects. This resulted from a review by the Commonwealth of its basis of financial assistance for administrative expenses in relation to development projects.

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 1972-73 was \$1,147,742, and this sum was provided from the Works and Services Account.

Stores Suspense Account.

Up to and inclusive of 30th June, 1973, 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 \$498,554. This amount is represented in the Commission's accounts by :—

					\$
Balance available for purchases of stores, &c.	..	..	..	..	244,042
Credit Balances of Hire Plant Accounts	..	..	..	..	254,512
					<u>498,554</u>

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.

Financial adjustments on account of net deficiencies, losses on realization, unserviceable goods and depreciation are made to the accounts of the respective projects or districts concerned and to the accounts within the Water Supply Stores Suspense Account.

According to Commission records, the book values of plant, tools and general stores at 30th June, 1973, were :—

		Plant.	Tools and Stores.
		\$	\$
At Construction Works	.. .. .	164,164	292,595
Stores Suspense Accounts (Depots)	.. .. .	293,111	1,772,584
At Central Plant Workshops (Suspense Accounts)	.. .. .	41,239	200,050
At Central Plant Workshops pending transfer or disposal..	.. .. .	14,486	122,620

NOTE.—The above figures do not include the value of "Hire" Plant and Machinery.

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 \$82,702. The capital liability at 30th June, 1973, in respect of this class of plant and machinery was \$3,877,014.

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, 1973, the balance in the Fund for the replacement of hire plant and machinery was \$2,351,105.

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 1972-73 was \$241,439. However, in recent years, no payment has been made to the Fund and, at 30th June, 1973, no balance was held in the Fund. At the same date, the balance of the Account was \$7,465,798.

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 1972-73 on these works amounting to \$5,316,377, including an amount of \$5,089,623 representing expenditure on the construction of Dartmouth Dam.

In 1972-73, under the authority of Water Supply Works and Services Acts Nos. 8215 and 8362, Victoria contributed \$1,221,575 for the construction of works, bringing the State's total contribution for construction as at 30th June, 1973, to \$15,790,290. 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 \$360,000, amounted to \$5,481,256 and expenditure to \$5,089,623. The balance in the account at 30th June, 1973, was \$500,085.

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 \$931,630 and expenditure, including refunds of contributions, amounted to \$810,527. The balance in the Account at the close of the year was \$477,001.

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 \$280,408.

In 1972-73, advances to various Trusts by the State amounted to \$2,156,662. Repayments on account of advances amounted to \$141,822, and certain Trusts were relieved of liability to the extent of \$83,531. 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 \$1,913,860.

River Improvement Trusts.

To 30th June, 1973, 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 1972-73 for this purpose was \$1,291.

Advances by the State in 1972-73 totalled \$719,999. Repayments in respect of advances amounted to \$3,188 and certain Trusts were relieved of liability to the extent of \$275,106 which the Governor in Council directed be borne by the State. The net increase in the Trusts' indebtedness for State loans was \$441,705.

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 \$2,241,275.

Advances by the State in 1972-73 totalled \$979,999. Repayments in respect of advances amounted to \$30,039 and certain Authorities were relieved of liability to the extent of \$563,804 which the Governor in Council directed be borne by the State. The net increase in the Authorities' indebtedness for State loans was \$386,156.

In addition, the State advanced \$38,241 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 1972-73 totalled \$15,540 of which \$14,546 or 94 per cent. was paid during the year. Costs chargeable to the district amounted to \$12,805 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, 1973, the balance of the Fund was \$22,916.

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, 1973, was \$170,435.

TRANSPORT REGULATION FUND.

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

1971-72.		1972-73.
\$		\$ \$
	<i>Receipts.</i>	
462,318	Balance, 1st July	323,666
816,475	Licence Fees and Additional Fees on Licences	819,008
122,817	Licence Transfer Fees	143,883
1,084,291	Permits—Goods and Passenger	1,183,556
43,842	Drivers' Certificates	62,046
10,376	Metropolitan Omnibus Registration Fees	10,465
246,426	Fines	251,929
41,928	Miscellaneous Receipts	46,497
		<hr style="width: 100%;"/> 2,517,384
<hr style="width: 100%;"/>		<hr style="width: 100%;"/>
2,828,473		2,841,050
	<i>Payments.</i>	
2,348,549	Salaries and Overtime	2,613,953
489,462	Other Administrative Expenses	549,534
53,720	Payment for Police Services	9,342
57,639	Contributions towards Bus Shelters, Comfort Stations, Information Centre, &c.	58,560
134,900	Capital Expenditure (Net)	47,306
		<hr style="width: 100%;"/>
3,084,270		3,278,695
	<i>Less—Recoups—</i>	\$
45,296	Costs of Collection—Motor Boat Registrations	59,907
534,167	Road Charges (Commercial Goods Vehicles Act)	548,173
		<hr style="width: 100%;"/>
		608,080
<hr style="width: 100%;"/>		<hr style="width: 100%;"/>
2,504,807		2,670,615
		<hr style="width: 100%;"/>
323,666	Balance, 30th June	170,435
<hr style="width: 100%;"/>		<hr style="width: 100%;"/>

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 1972–73 was \$9,744,729 compared with \$9,136,206 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 1972–73 amounted to \$333,041. The costs of collection and administration were recouped to the extent of \$59,907.

YOUTH, SPORT AND RECREATION.

The *Youth, Sport and Recreation Act 1972*, proclaimed by the Governor in Council to operate from 19th December, 1972, established a new Department of State called the Department of Youth, Sport and Recreation. The objects are stated in the Act as :—

- (i) to assist in the growth of the individuality and character of the youth of Victoria ;
- (ii) to promote the fitness and general health of the people of Victoria ; and
- (iii) to improve the facilities available to the people of Victoria for leisure-time pursuits.

The Department is responsible, also, for the administration of the *Racing Act 1958* and the *National Fitness Council of Victoria Act 1960*.

During 1972-73, expenditure charged against the Consolidated Fund amounted to \$622,754, as under—

					\$
Costs of administration (including totalizator) .. .. .	..	..	..	..	135,906
Grants to youth organizations .. .. .	..	..	..	..	385,496
Contribution to Anzac Day Proceeds Fund .. .. .	..	..	..	..	101,352
Total .. .. .	..	..	..	..	622,754

TRUST ACCOUNTS.

The legislation established in the Treasury, as part of the Trust Fund, three new funds called—

- (i) the Youth Fund ;
- (ii) the Sports and Recreation Fund ; and
- (iii) the Australian Rules Football Fund.

The Act sets out the sources of moneys available to the Funds and the purposes to which such moneys are to be applied. At 30th June, 1973, the balances at credit of the Funds were, respectively, \$1,652, \$15,092, and \$1,609. There was little activity within these Funds during 1972-73.

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, 1973, 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
Exhibition Trustees	385,000	211,517
Olympic Park Committee of Management	140,000	115,000
Royal Agricultural Society of Victoria	1,040,000	444,821

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, 1973, 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 Royal Women's Hospital, 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 State instrumentalities and other bodies.

	Guarantee.	Contingent Liability.
	\$	\$
Co-operative Housing Societies	201,214,000*	87,980,248*
Co-operative Housing Societies .. .. .	..	135,471,974†
Co-operative Societies	6,630,586	3,451,282
Home Finance Trust	29,664,373	24,921,530
Melbourne Cricket Club	2,550,000	2,460,692
Trustees of the Sisters of Charity of Australia	5,550,000	4,992,963
Victorian Inland Meat Authority	1,000,000	1,000,000
St. Francis Xavier Cabrini Hospital.. .. .	750,000	600,000
Royal Women's Hospital	700,000	698,291
Sisters of Mercy Property Association	800,000	738,445

* 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 *Hospitals and Charities Act 1958*, as amended by the *Hospitals and Charities (Guarantee) Act 1973*, enables the Treasurer to execute guarantees in respect of borrowings by public hospitals and charitable institutions which may be authorized by the Governor in Council after report by the Hospitals and Charities Commission pursuant to the provisions of Section 67 of the *Hospitals and Charities Act 1958*. Such guarantees are not to be executed in respect of any money raised prior to 1st September, 1972. Pursuant to the provisions of the amending Act, the Treasurer had, as at 30th June, 1973, guaranteed on behalf of the Government the fulfilment by the Royal Women's Hospital of the terms of its borrowings of the amount of \$700,000.

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.

	1972.	1973.
	\$	\$
Railways	6,352,384	7,872,637
Taxation—		
Gift Duty	62,309	33,531
Land	1,887,633	1,517,057
Probate Duty	3,200,018	3,378,945
Water Supply	2,079,127	1,519,896
Lands Department	619,754	222,131
Rural Finance and Settlement Commission	598,030	409,440
Forests Commission	867,593	677,166
Government Printer (excluding amounts due from State Departments)	122,219	200,024
Other Departments	135,362	1,408,507
Trading Activities—		
Victoria Dock Cool Stores	274,812	116,459
Miscellaneous	312,315	319,354
	16,511,556	17,675,147

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, \$620,847. To 30th June, 1973, repayments on account of these advances amounted to \$495,446 and \$214,836 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 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.

	1971-72.	1972-73.
	\$	\$
Corporations and other Bodies	1,940,933	3,324,664
Various	293,034	48,948
Total	2,233,967	3,373,612

In some cases, repayment of advances has not been in accordance with the agreed conditions and, at 30th June, 1973, instalments of redemption and interest charges due and unpaid amounted to \$225,092. Following is a concise statement of the balances of advances and amounts overdue :—

	Balance of Advances at 30th June, 1973.			Overdue at 30th June, 1973.				
	Loan Sources.	Revenue Sources.	Total.	Redemption.			Interest.	Total.
				Loan Sources.	Revenue Sources.	Total.		
	\$	\$	\$	\$	\$	\$	\$	\$
Municipalities	2,373,970	..	2,373,970	..	..	..	..	..
Corporations and other bodies	48,100,377	..	48,100,377	33,073	..	33,073	152,676	185,749
Unemployment Relief Advances	136,927	..	136,927	31,471	..	31,471	..	31,471
Advances to Settlers	5,161	..	5,161	5,161	..	5,161	2,202	7,363
Various	2,060,086	509	2,060,595	..	509	509	..	509
Total	52,676,521	509	52,677,030	69,705	509	70,214	154,878	225,092

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, 1973.

Date.	Department, &c.	Amount.	Disallowance or Surcharge.	Particulars.
		\$		
19.10.72	Chief Secretary—National Gallery of Victoria	38,240.76	Surcharges ..	Embezzlement of funds
29.6.73	Chief Secretary—Police—Fawkner	8,170.58	Surcharge ..	Failure to account for moneys received

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 1972–73, the Treasurer has not been acquitted to the extent of \$2,326,474 which includes an amount of \$746,363, advances to Departments, &c., not adjusted prior to 30th June, 1973.

Defalcations and Irregularities.

As required by Section 47 of the *Audit Act* 1958, particulars of cases in which default has been made in delivering or sending accounts or accounting for public or other moneys or stores, and of relevant proceedings taken are shown hereunder :—

CHIEF SECRETARY'S DEPARTMENT.

Fawkner Police Station.—A senior sergeant misappropriated \$8,170.58. In the County Court he pleaded guilty to the charge of embezzlement, and was convicted and sentenced to a term of imprisonment. He was surcharged with the amount of the deficiency.

Motor Registration Branch.—A deficiency of \$100 in collections on account of personalized number plates occurred. Investigations failed to establish responsibility.

EDUCATION DEPARTMENT.

Primary Schools.—Irregularities were detected in the accounts of four primary schools. Police action was taken in each case.

ELECTORAL.

Electoral District of Reservoir.—The returning officer was committed for trial on charges of altering an acquittance.

HEALTH.

Mental Health.

Janefield Training Centre.—A deficiency of \$600.55 in the Advance Account, caused by irregular acts of an officer in the years 1967–69, was subsequently made good by him. He was recently charged with a number of offences and committed for trial.

RAILWAYS.

Eleven officers and employes were found guilty of offences in respect of loss or theft of money or other property. With the exception of one instance involving an amount of \$90, the cash and other deficiencies were comparatively small. At Highett Station, three Departmental employes were held responsible for a cash deficiency of \$135 and action is being taken to recover this amount from them.

During the year a number of armed robberies and theft by forced entry occurred at stations. At five stations, losses of cash involved sums amounting to \$293, \$189, \$152, \$150 and \$110. None of the stolen cash has been recovered.

STATE ELECTRICITY COMMISSION.

Overpayments in connection with the purchase of heat banks from a manufacturer whose business is now in the hands of a receiver and manager were caused by a breakdown in the normal account passing procedures said to have been the result of speeding up payments to obtain special discounts. A claim for \$20,332 has been lodged with the liquidator of the manufacturing company on account of these overpayments and certain non-collection of credits due.

Commercial officers at Shepparton and Myrtleford admitted to misappropriations of \$729 and \$361 respectively. In the Latrobe Valley a loss of \$194 occurred by means of forged wages dockets. Other smaller losses were reported during the year.

The loss in connection with the theft of non-ferrous metals was only \$405, by far the lowest value in recent years.

STATE RIVERS AND WATER SUPPLY COMMISSION.

Maffra District Office.—An amount of \$2,461.22 was misappropriated by the District Accounting Officer. Prosecution is in course and action pursuant to Section 36 of the *Audit Act* has been taken.

Red Cliffs District Office.—An amount in excess of \$5,000 was misappropriated. Investigations have not yet been completed.

Lang Lang Waterworks Trust.—Collections amounting to \$1,676.81 were not accounted for. A former secretary to the Trust was convicted in the County Court of embezzlement and placed on probation for three years. At the same hearing, on a charge of embezzlement of \$2,140.84 from the Lang Lang Sewerage Authority, he was convicted and fined \$750. Restitution of the total sum misappropriated was ordered by the Court.

TOTALIZATOR AGENCY BOARD.

Misappropriations were detected in the accounts of twenty agencies during the year and generally involved manipulations of unclaimed dividends or pool collations or non-accounting for cash. In eight of the more serious cases criminal proceedings were taken against agents or employes of the Board and, in four instances, restitution was made.

TREASURY.

Comptroller of Stamps.—Departmental inquiries into the loss of a duty stamp to the value of \$200 were inconclusive and the matter was referred to the police. Inquiries are proceeding.

UNIVERSITIES.

La Trobe.—Four instances of loss of cash by theft occurred during the year. The amounts involved were \$402.32, \$400.00, \$277.85 and \$100.00.

OTHER.

Minor irregularities occurred at Hawthorn Magistrates' Court, Larundel Mental Hospital, Goorambat Waterworks Trust, Mt. Hotham Alpine Resort Management Committee and Warrandyte and Doncaster Police Stations.

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	Plant Research Institute	Trailer	106	} Police notified.	
		Slide Projector	210		
	Seed Testing Station ..	Motor Mower	113		
		5 Wheels and Tyres	100		
	Dookie College	Projection Screen	25		
		Bus Radio	150		
		Divan Bed	40		
		Equipment	7		
	Dooen Centre	Battery	40		
	Glenormiston	Tool Cabinet	138		
	Fruit Fly Campaign	Clothing	25		
		Electric fan	27		
	Tobacco Research Station	Tools	18		} Written off.
	Cool Stores	Gas Cylinder	51		
	Shepparton Office	Cassette Recorder	45		
S. S. Cameron Laboratory	5 Boiler Suits	24			
	4 Strip Heaters	76			
Bendigo	Camera	120	} Police notified.		
Scotsburn	Scales	24			
Country Roads Board ..	Coburg	Electric Cooker	37	} Police notified.	
		Electric Typewriter	452		
		Electric Heater	25		
		Dictation Transcriber	103		
		First Aid Kit	20		
	Newmerella	Vibro Rammer	373		
	Mulgrave	Theodolite, Level, Tripods	900		
	Kananook Creek	Motor and Hose	400		
Dandenong	Gas Cylinder	30			
	Space Heater	38			
Education	Various Schools	Equipment stolen and/or damaged	24,680	Police advised of thefts.	
Fisheries and Wildlife ..	Mallacoota	Clothing and Equipment	20	Written off.	
Forests Commission ..	Central Store	4 Batteries	67	} Police notified.	
		Vehicle Parts	63		
	Ballarat	Timber	47		
	Bright	Radio and Equipment	545		
	Casterton	Radio and Equipment	555		
	Stanley	Radio and Equipment	400		
Kallista	Weed Killer	95			
La Trobe University ..	Gardener's Shed	Tools	104	} Police informed.	
		Cassette Tape Deck	175		
	Language Laboratory ..	Ear Phones	12		
		2 Speaker Columns	154		
		Record Player	220		
	East Lecture Theatre ..	Transistor Receiver	17		
		Tape Recorder	60		
	North Melbourne	Scanning Machine	753		
		Duplicating Machine	422		
	Social Sciences	60 Reams Paper	72		
		Stencils and Ink	38		
	Counting House	3 Cash Register Drawers	90		
		5 Cash Boxes	22		
	Chemistry	6 Fire Blankets	46		
	Physics	Dictating Machine	43		
	South Building	2 Loudspeakers	70		
	North East Annexe	3 Sketches	12		
Lens		86			
Physics	Camera	100			
	Calculator	325			
E.R.A. School	Junction Box	8	} Written off.		
Sports Union	Book	17			
Melbourne and Metropolitan Board of Works	Various	Tools and Equipment ..	14,521	Lost and/or stolen.	
Mental Health Authority ..	Mont Park Hospital ..	Tools	15	} Investigated by Mental Health Authority. Police informed.	
		Electric Jug	5		
	Bundoora Hospital ..	Garden Tools	80		
	Royal Park Hospital ..	Furniture	40		
		Electric Razor	4		
	Larundel Hospital ..	Electric Floor Polisher	100		
		Slide Projector	70		
	Children's Cottages, Kew	Table, 4 Chairs, 2 Beach Umbrellas	60		
		Ernest Jones Clinic ..	Stereogram		} 350
	Coffee Percolator				
2 Fans, Toaster, Sewing Machine					
Glenhuntly Centre ..	Film Projector	} 6			
Football					

Department or Authority.	Location.	Items Lost or Stolen.	Value.	Remarks.
			\$	
Police	Flemington	Revolver	55	Lost.
Public Works	Various Sites.. ..	Tools and Equipment..	1,042	Thefts reported to police.
Social Welfare	Turana	Electric Drill	25	} Police advised of thefts.
	Brunswick Hostel	Electric Radiator	6	
State Rivers and Water Supply Commission	Various Centres and Job Sites	Tools and Equipment..	876	Police notified of thefts.
University of Melbourne ..	Radiology Department at Royal Melbourne Hospital	Projector and Lens ..	147	Reported to police.

Acknowledgment.

New audits acquired during the year added considerably to the extent of my statutory duties and to the already heavy work-load of the audit staff. I acknowledge the willingness of the staff to meet the demands made on them 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, 7th November, 1973.

STATEMENT No. 1.

A comparison, on a monetary and proportional basis, of expenditure from the Consolidated Fund* in 1972-73 with that in the previous year is given below :—

Nature of Expenditure.	1971-72.		1972-73.	
	Amount.	Percentage of Funds Available.	Amount.	Percentage of Funds Available.
Social—	\$	%	\$	%
Education, Health, Housing, Welfare, Payments to Hospitals and Charities Fund, &c. ..	605,509,918	49·79	720,339,980	51·66
†Debt Charges—				
Interest, Sinking Fund, Repayments, (including Housing and Soldier Settlement) ..	184,730,570	15·19	194,897,902	13·92
Railways—				
‡Working Expenses and Expenditure from Works and Services Account	148,000,032	12·17	165,264,891	11·82
Pensions	6,532,674	·54	7,307,862	·53
Primary Production—				
Agriculture, Lands, Soldier Settlement, Forests, Country Water Supply, &c.	74,047,923	6·09	80,082,353	5·76
Law and Order—				
Law, Police, Prisons, &c... ..	57,539,026	4·73	66,736,542	4·80
State Electricity Commission—				
Advances	11,000,000	·91	16,000,000	1·15
Melbourne and Metropolitan Board of Works—				
Advances	19,803,028	1·63	22,560,000	1·62
Other Public Works—				
Works and Advances	13,665,615	1·12	15,348,843	1·11
Pensions—				
Retired Officers, Officers' Widows, &c., excluding Railways	13,911,068	1·14	16,788,664	1·21
Other Expenditure	67,857,617	5·58	76,032,326	5·47
Total Expenditure	1,202,597,471	98·89	1,381,359,363	99·05
Funds retained in the Works and Services Account.. .. .	13,522,255	1·11	13,316,141	·95
Total Funds Available	1,216,119,726	100·00	1,394,675,504	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 1972-73.

Receipts—

Proceeds of Loans Raised—					\$	\$
For Works, &c.	..	..	..	..	187,115,000	
For Redemption	..	..	..	..	171,523,852	
Loan Repayments	..	..	..	..	9,407,627	
					<u> </u>	<u>368,046,479</u>

Disbursements—

Paid to the Consolidated Fund	..	..	..	..	196,522,627	
Applied to Redemption	..	..	..	..	171,523,852	
					<u> </u>	<u>368,046,479</u>

LIABILITY FOR LOANS.

					\$	\$
Liability to Commonwealth at 30th June, 1972	..	..	..	..	..	2,474,343,623
Loans raised in 1972-73—						
For Works, &c.	..	..	..	..	187,121,008	
For Redemption	..	..	..	..	171,546,331	
					<u> </u>	<u>358,667,339</u>
						<u>2,833,010,962</u>
<i>Less Loans Repurchased or Redeemed—</i>						
By Redemption Loans	..	..	..	..	171,114,832	
By National Debt Sinking Fund	..	..	..	..	35,056,354	
					<u> </u>	<u>206,171,186</u>
Liability to Commonwealth at 30th June, 1973	..	..	..	..	..	2,626,839,776
<i>Less Cash at credit of National Debt Sinking Fund</i>	..	..	..	..	..	<u>2,188,093</u>
Net Liability for Loans at 30th June, 1973	..	..	..	..	..	<u>2,624,651,683</u>
Net Liability for Loans at 30th June, 1972	..	..	..	..	..	<u>2,469,278,366</u>
Increase in Net Liability for the year	..	..	..	..	..	<u>155,373,317</u>

The net liability to the Commonwealth at 30th June, 1973, of \$2,624,651,683 does not include the liability in respect of—

- (i) advances for housing, \$539,047,144 ;
- (ii) advances for special assistance for soldier settlement, \$12,596,123 ;
- (iii) advances for drought relief, \$2,901,251 ; 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, 1973, was—

<i>Various funds as per Treasurer's Statement—</i>						\$
Amounts lodged and invested	..	..	..	..	..	109,806,243
General Account balances	..	..	..	..	..	121,089,574*
						230,895,817
<i>Represented by :</i>						
<i>Stocks and Securities—</i>						
Bank Term Deposits	..	..	..	..	..	5,151,480
Blue Moon Fruit Co-operative Ltd.—Shares	..	..	..	..	..	20
Camperdown—Glenormiston Dairying Co. Ltd.—Shares	..	..	..	..	..	140
City of Melbourne Inscribed Stock	..	..	..	..	..	484,000
Colonial Gas Holdings Ltd.—Registered Debenture Stock	..	..	..	..	..	1,000
Commonwealth Government Inscribed Stock, &c.	..	..	..	..	..	23,055,969
Gas and Fuel Corporation Registered Debenture Stock	..	..	..	..	..	22,036,950
Gas and Fuel Corporation of Victoria—Shares	..	..	..	..	..	15,477,520
Geelong Harbor Trust Debenture	..	..	..	..	..	67,331
Geelong Waterworks and Sewerage Trust Inscribed Stock	..	..	..	..	..	34,000
Grain Elevators Board Inscribed Stock	..	..	..	..	..	68,000
Home Finance Trust	..	..	..	..	..	290,000
Kyabram Co-operative Fruit Preserving Co. Ltd.—Shares	..	..	..	..	..	8,566
Melbourne Harbor Trust Inscribed Stock	..	..	..	..	..	1,525,000
Melbourne and Metropolitan Board of Works Inscribed Stock	..	..	..	..	..	21,757,060
Melbourne and Metropolitan Tramways Board Inscribed Stock	..	..	..	..	..	1,225,000
National Art Gallery and Cultural Centre Registered Debenture Stock	..	..	..	..	..	782,917
Pilot Vessels—Registered Mortgage Debentures	..	..	..	..	..	94,000
State Electricity Commission Inscribed Stock	..	..	..	..	..	10,922,350
State Savings Bank Deposit Stock	..	..	..	..	..	8,364,940
Sunbury Sewerage Authority	..	..	..	..	..	200,000
						111,546,243*
<i>Cash Advanced—</i>						\$
For Deficits incurred to 30th June, 1970	..	..	..	..	..	21,782,281
For Other Advances	..	..	..	..	..	3,149,100
						24,931,381
Cash as per Treasurer's Statement	..	..	..	..	..	94,418,193
						230,895,817

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

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 1972-73.

Receipts.

	\$
<i>Paid to the Consolidated Fund on account of Interest,</i>	
<i>Sinking Fund, etc. on Advances from the State—</i>	
State Electricity Commission	16,753,831
Melbourne and Metropolitan Board of Works	2,702,657
Country Roads Board	2,536,317
Water, Sewerage, &c. Authorities	2,021,000
Home Builders	847,474
Housing Commission	1,964,152
Rural Finance and Settlement Commission	1,689,094
Land Settlement	1,246,135
Gas and Fuel Corporation	613,776
Teacher Housing Authority	342,430
Grain Elevators Board	112,484
Other Authorities	609,116
	31,438,466
<i>Paid to the Consolidated Fund—Other Interest—</i>	
Interest on Public Account	7,021,309
Less—Interest paid on Deposits	89,549
	6,931,760
	38,370,226
<i>Paid to the Consolidated Fund—Recoup of Interest,</i>	
<i>Principal, &c.—Other Loans.</i>	
Commonwealth—State Housing Agreement—	
Housing Commission	21,620,369
Home Builders' Account	5,815,043
	27,435,412
Commonwealth—Special Assistance Loans for	
Soldier Settlement	629,339
	28,064,751
<i>Portion of Debt Charges met from Commonwealth Debt</i>	
<i>Charges Assistance Grant</i>	8,348,453
<i>Portion of Debt Charges met from Railway Income..</i>	10,505,784
<i>Balance—Amount which had to be met from Taxation</i>	
<i>and other sources</i>	108,608,687
	193,897,901

Payments.

	\$
<i>On Funded Debt—</i>	
<i>Interest—</i>	
Melbourne	126,844,953
Overseas	2,199,925
	129,044,878
Expenses	448,966
	129,493,844
<i>Sinking Fund Contributions</i>	25,099,593
<i>Loan Conversion Expenses</i>	83,929
	154,677,366
<i>Debit to the Consolidated Fund on account of</i>	
<i>Debt Charges on Public Debt</i>	10,505,784
<i>Debit to the Consolidated Fund on account of</i>	
<i>Railways</i>	165,183,150
	650,000
<i>Debit to the Consolidated Fund on account of Interest</i>	
<i>on the 1969-70 Commonwealth Repayable Grant</i>	27,435,412
	629,339
<i>On Other Loans—</i>	
<i>Interest and Principal—</i>	
Commonwealth—State Housing Agreement	8,348,453
Commonwealth Special Assistance Loans for	
Soldier Settlement	108,608,687
	28,064,751
	193,897,901

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.
	\$	\$	\$	\$	\$	\$	\$
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
1972-73 ..	2,550,591,699	155,327,366‡	46,718,679	108,608,687	6.0898	1.8316	4.2582

* 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.
	\$	\$	\$	\$	\$	\$	\$
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
1972-73 ..	444,959,271	23,991,403	1,813,650	22,177,753	5.3919	.4076	4.9843

STATEMENT No. 5.

RAILWAYS.

Statement of Railway Receipts and Expenditure, 1972-73.

Receipts.		\$	Expenditure.		\$
Ordinary Income .. .. .	.. .. .	108,850,604	Working Expenses .. .. .	.. .. .	146,750,440
Recoup for reductions in certain Country Freight Charges .. .. .	.. .. .	286,000	Accident Fund .. .. .	.. .. .	1,806,801
Recoup Fares Concessions .. .. .	.. .. .	1,250,000	Renewals and Replacements Fund .. .. .	.. .. .	400,000
Recoup Kerang-Koondrook Tramway Act .. .. .	.. .. .	23,512	Pension Contributions .. .. .	.. .. .	7,307,862
		<u>110,410,116</u>	Board Salaries and Allowances .. .. .	.. .. .	<u>61,869</u>
					156,326,972
Available from Appropriations to Works and Services Account		16,019,805	Interest .. .. .	.. .. .	10,020,511
			Sinking Fund Contribution .. .. .	.. .. .	419,291
			Exchange on Overseas Interest .. .. .	.. .. .	<u>65,982</u>
					10,505,784*
					<u>166,832,756</u>
Deficit for year .. .. .	.. .. .	56,422,640	Way and Works .. .. .	.. .. .	7,780,146
			Rolling-stock, Equipment, &c. .. .. .	.. .. .	8,135,714
			Construction of New Lines, &c. .. .. .	.. .. .	<u>103,945</u>
Total .. .. .	.. .. .	<u>182,852,561</u>	Total .. .. .	.. .. .	<u>16,019,805</u>
					<u>182,852,561</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.	1971-72.	Per cent. of Receipts.	1972-73.	Per cent. of Receipts.
	\$		\$	
Working Expenses	129,965,315	} 116·1	146,750,440	} 132·9
Board Salaries and Allowances	65,660		61,869	
Accident Fund	1,935,966	1·7	1,806,801	1·6
Renewals and Replacements Fund	400,000	·4	400,000	·4
Pension Contributions	6,532,674	5·8	7,307,862	6·6
National Debt Sinking Fund	393,013	·4	419,291	·4
Interest	9,077,394	8·1	10,020,511	9·1
Exchange on Overseas Interest	81,472	·1	65,982	·1
	148,451,494	132·6	166,832,756	151·1
Deficit	36,484,889	32·6	56,422,640	51·1
Receipts	111,966,605	100·0	110,410,116	100·0

COUNTRY WATER SUPPLY.

RECEIPTS AND PAYMENTS 1972-73.

Receipts.		Payments.	
<i>Debt Charges—</i>	\$	<i>Charged to the Consolidated Fund—</i>	\$
Water Trusts and Other Corporations, &c.	.. .. 1,870,661	Special Appropriation—	
		Pensions	619,483
<i>Rates, &c.—</i>		National Debt Sinking Fund	977,849
Coliban	823,837	Interest	22,917,306
Irrigation Districts	7,046,662	Exchange	89,633
Waterworks Districts	1,676,622	Loan Conversion Expenses	6,615
Rural Districts	70,472		<hr/> 24,610,886
Urban Districts	2,888,044		
Flood Protection Districts	100,310		
Miscellaneous	645,290		
	<hr/> 13,251,237	<i>Vote—</i>	
		Salaries and payments in the nature of salaries..	9,831,290
		General Expenses	2,210,214
		Coliban Districts	241,600
		Irrigation and Drainage Districts	2,866,357
		Waterworks Districts	1,556,146
		Flood Protection Districts	64,700
		Removal of Sand Drift	97,000
		Private Diversions including Headworks	103,372
	<hr/> 17,129,887		<hr/> 16,970,679
<i>Recoups of Amounts paid from the Consolidated Fund</i> ..	3,878,650		
		Works and Services Account—	
<i>Loan Repayments</i> .. ..	.. .. 403,264	Trusts, &c. (for Advances)	3,656,868
		Districts	13,730,361
		Plant and Machinery	82,702
			<hr/> 17,469,931
<i>Net Outgoing</i> .. ..	.. .. 39,647,684		
			<hr/> 59,051,496

APPENDIX A-1.

ENDOWMENTS AND GRANTS.

	1971-72.	1972-73.	+ Increase - Decrease
Social—	\$	\$	\$
Alcoholism Foundation of Victoria	12,000	30,000	+ 18,000
Alexander Miller Memorial Homes Trust	5,000	5,000	..
Australia Day Council	3,500	3,500	..
Australian Red Cross Society for After-care Treatment of Poliomyelitis Sufferers	20,000	20,000	..
Baker Medical Research Institute .. .. .	..	20,000	+ 20,000
Ballarat Youth Centre	1,600	1,600	..
Bendigo Rotary Club Youth Camp	1,000	1,000	..
Boys' Employment Movement	9,200	9,400	+ 200
Boy Scouts Association	4,000	10,000	+ 6,000
Bush Nursing	475,000	477,406	+ 2,406
Catholic Family Planning Centre .. .. .	..	1,000	+ 1,000
Family Planning Association of Australia	7,000	10,000	+ 3,000
First Conference of the Commonwealth Pharmaceutical Association, Melbourne 1972	5,000	..	- 5,000
Girl Guides Association	4,000	4,000	..
Inter-Church Trade & Industry Mission (Victoria) .. .. .	..	5,000	+ 5,000
Lord Mayor's Children's Camp Fund	10,000	20,000	+ 10,000
Moreland Hall Alcoholism Rehabilitation Centre	10,000	10,000	..
National Fitness Council	52,000	77,000	+ 25,000
National Safety Council	14,000	14,000	..
Over Fifties Association	800	800	..
Peninsula Ambulance Service .. .. .	..	7,500	+ 7,500
Playgrounds and Recreation Association of Victoria	12,000	12,000	..
Royal Humane Society of Australasia	200	200	..
Royal Life Saving Society of Victoria	14,000	22,000	+ 8,000
St. John Ambulance Brigade	10,000	11,500	+ 1,500
Science and Technology Careers Bureau	3,624	3,294	- 330
State Relief Committee	71,800	79,500	+ 7,700
Surf Life Saving Association of Australia	16,000	24,000	+ 8,000
United Nations Association of Australia	1,000	1,000	..
Victoria Amateur Swimming Association	2,000	2,000	..
Victorian Council on the Ageing	5,000	5,000	..
Victorian Cytology (Gynaecological) Service	180,000	206,000	+ 26,000
Victorian Family Council	3,000	..	- 3,000
Victorian Nursing Council	22,000	22,000	..
Walter and Eliza Hall Research Institute	100,000	110,000	+ 10,000
Young Christian Workers Movement	2,000	2,000	..
Young Farmers' Clubs Association	67,400	69,500	+ 2,100
Young Men's Christian Association	4,000	54,000	+ 50,000
Cultural—			
Bands	4,800	4,800	..
Children's Free Libraries	10,000	10,000	..
Country Art Galleries	76,026	91,100	+ 15,074
Country Free Libraries	18,000	18,000	..
Cultural Development	493,530	638,547	+ 145,017
Melbourne Symphony Orchestra	75,000	75,000	..
Municipal and Regional Libraries	1,706,100	2,758,599	+1,052,499
Orchestral Concerts	41,083	46,733	+ 5,650
State Concert Orchestra	2,300	3,800	+ 1,500
Sundry—			
Animal Welfare League	1,000	1,000	..
Australian Industrial Design Council	7,500	15,000	+ 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	..
Cemeteries, Improvement and Maintenance	13,800	13,825	+ 25
Commonwealth Parliamentary Association—Victoria Branch	29,200	31,800	+ 2,600
Conservation Council of Victoria .. .. .	..	2,500	+ 2,500
Council for Christian Education in Schools	40,000	50,000	+ 10,000
Field Naturalists Club of Victoria .. .. .	..	1,000	+ 1,000
Guide Dog Owners and Friends Association	1,000	1,000	..
Keep Australia Beautiful Council	25,000	25,000	..

ENDOWMENTS AND GRANTS—*continued.*

—	1971-72.	1972-73.	+Increase -Decrease
<i>Sundry—continued</i>	\$	\$	\$
Kerang Agricultural Research Farm	2,000	2,000	..
Melbourne Medical Post-Graduate Committee	4,000	15,000	+ 11,000
Murray Valley Development League	2,000	3,000	+ 1,000
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	6,000	+ 500
Royal Institute of Public Administration	500	500	..
Royal Society for the Prevention of Cruelty to Animals	4,500	1,500	- 3,000
Standards Association of Australia	5,500	5,500	..
Timber Promotion Committee	25,000	25,000	..
Trustees, Shrine of Remembrance	5,000	6,000	+ 1,000
Victorian Field and Game Association	1,200	1,200	..
Victorian Piscatorial Council	2,780	2,780	..
Victorian Rural Fire Brigades Association	2,000	2,500	+ 500
Victorian Urban Fire Brigades Association	2,000	2,000	..
Water Research Foundation of Australia Ltd.	12,500	12,500	..
World Conference in Sports Medicine .. .. .	..	5,000	+ 5,000
Zoological Board of Victoria	23,000	23,000	..
Total	3,824,043	5,286,484	+1,462,441

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

APPENDIX A-2.

CULTURAL DEVELOPMENT ALLOCATIONS, 1972-73.

	\$
All Nations Together Society	100
Ararat Golden Gateway Festival	300
Arts Council of Australia—Colac Branch	500
Arts Council of Australia (Victoria Division)	20,000
Astra Chamber Music Society	5,000
Australian Boys Choir	200
Australian Elizabethan Theatre Trust	300,000
Australia National Memorial Theatre Limited	30,000
Awgie Award	500
Bacchus Marsh Players	100
Ballarat Begonia Festival Committee	4,000
Ballarat Calisthenic College	200
Ballarat Choral Society	100
Ballarat Civic Male Choir	200
Ballarat Music Lovers' Club	100
Ballarat Orchestra Association	500
Ballet Victoria	32,500
Beaumaris Art Group	200
Beaumaris Players' Club	100
Beechworth Music Group	100
Bendigo Competitions Society	2,100
Bendigo Music Advancement Society	500
Bendigo Music Lovers' Club	200
Bendigo Operatic Society	200
Bendigo Shakespeare Reading and Literary Society	50
Boort Highland Dancing Group	50
Boort Music, Literature and Art Society	100
Brunswick City Choral Society	50
Camberwell City Philharmonic Society	200
Camberwell Music Society	100
Camperdown Musical Society	300
"Carols by Candlelight", Melbourne	1,000
Castlemaine Drama Group	50
Castlemaine Light Opera Company	200
Casterton Music Circle	100
Children's Arena Theatre	15,000
Children's Book Council of Australia (Victorian Branch)	1,000
Children's Theatre Guild	1,000
Colac Music Lovers' Club	150
Coleraine Choral Society	100
Contemporary Art Society of Australia	300
Dandenong Festival of Music and Art for Youth	2,750
Daylesford Highland Gathering Committee	1,000
Debates Association of Victoria	200
Donald Music, Literature and Art Society	50
Doncaster-Templestowe Repertory Group	50
Echuca Music Lovers' Group	100
Eltham Little Theatre	150
Fellowship of Australian Writers	1,000
Fern Tree Gully, Knox and Mountain District Music and Arts Festival	300
Frankston Theatre Group	300
Geelong Association of Music and Art	1,500
Geelong Society of Operatic and Dramatic Art	750

APPENDIX A-2—continued.

	\$
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
Stawell Choral Society	100
Strathmore Theatrical Arts Group	100
Strathmore Orchestral Society	50
Swan Hill Musical Comedy Society	100
The Melbourne Chorale	2,000
Traralgon Music, Drama and Art Society	300
The 1812 Theatre	500
Victorian Artists Society	2,000
Victorian Drama League	3,500
Victorian Highland Pipe Band Association	1,500
Victorian Opera Company	33,000
Wangaratta Arts Council	1,500
Wangaratta Eisteddfod Society	200
Wangaratta Players	100
Warracknabeal Music Club	50
Warrnambool Music Society	100
Wendouree Arts Council	50
Werribee Choral Society	100
Western Philharmonic Society	100
Williamstown Little Theatre Movement	300
Wodonga Arts Council	500
Yallourn Madrigal Singers	50
Yallourn Orchestral and Choral Society	200
TOTAL	638,547

APPENDIX B.

EDUCATION DEPARTMENT

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

NOTE:—1972-73 shown in heavy type.
1971-72 shown in light type.

Expenditure	Adminis- tration	Teachers Tribunal	Primary Schools	Secondary Schools	Technical Schools	Special Schools and Hostels Attached Thereeto	Corres- pondence Schools	Special Activities (Library, Music, Visual Education, &c.)	Teachers' Colleges	Teachers' Colleges Hostels	Universi- ties and Colleges of Advanced Education	Independent Schools	Miscel- laneous	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Salaries—Teaching Service	1,934,694 1,743,883	..	100,037,095 85,651,387	71,089,619 58,402,997	45,974,753 35,856,950	4,535,459 3,576,740	1,024,053 798,497	6,583,456 5,173,505	10,108,205 8,871,763	16,384 9,205	..	..	..	241,303,718 200,084,927
Salaries—General Administration and Clerical Assistance	2,536,137 2,169,355	165,623 166,851	239,653 144,998	2,265,016 1,684,264	..	27,455 22,894	75,289 67,517	345,914 279,626	389,869 291,285	63,721 59,818	..	..	..	6,108,677 4,886,608
Pay-roll Tax	150,590 120,420	5,831 5,262	3,626,350 2,773,640	2,707,200 1,989,660	1,611,345 1,136,704	166,440 117,932	38,938 27,088	245,480 172,168	406,640 318,863	2,820 522	..	..	..	8,961,634 6,662,259
Workers' Compensation Insurance	23,831 25,210	923 1,101	574,047 580,646	428,520 416,524	255,150 237,963	26,350 24,689	6,162 5,671	38,857 36,043	207,120 199,322	446 109	..	..	..	1,561,406 1,527,278
Allowances—Students in Training .. .. .	..	..	..	..	..	..	..	..	25,604,752 20,089,881	..	..	..	..	25,604,752 20,089,881
Travelling Expenses and Allowances, &c.	165,180 164,489	2,759 2,243	162,093 146,996	441,043 289,191	125,615 178,377	23,865 20,513	3,293 2,127	251,167 210,566	49,061 84,689	..	..	35 499	..	1,224,111 1,099,690
Libraries—Grants and Subsidies	6,583	..	49,645 64,687	13,535 5,227	5,000 3,000	3,000	..	8,650 26,307	188,586 163,888	..	..	..	..	274,999 263,127
School and Office Equipment and Requisites	311,339 228,644	3,311 3,242	409,515 359,934	979,421 901,617	55,026 23,282	120,317 59,556	81,200 84,563	308,426 320,728	344,318 328,062	..	..	36,642 46,736	..	2,649,515 2,356,470
Text Books, Publications, Examination Expenses, Postage and Telephone Expenses, Incidentals	472,158 415,370	3,958 4,824	6,990 5,561	10,092 13,123	62,722 71,592	7,748 4,779	15,803 19,978	387,986 306,673	87,790 65,861	..	65 60	..	..	1,055,325 907,821
School Cleaning and Services	1,275 351	..	5,822,486 4,701,815	5,577,669 4,614,791	57,355 6,506	160,655 128,240	11,896 14,523	50,490 36,897	572,353 442,920	..	..	..	..	12,254,179 9,946,043
Conveyance of Pupils .. .. .	..	..	2,914,862 2,417,657	4,812,242 3,894,264	2,741,663 1,822,256	188,974 161,713	..	10,597 9,549	..	..	..	2,764,807 2,106,168	..	13,433,145 10,411,607
Bursaries, Scholarships and Maintenance Allowances	2,748 3,896	..	2,954 2,908	1,559,321 1,485,777	654,408 601,910	4,882 5,367	1,513 733	2,171 5,173	21,052 21,132	..	17,708 17,100	..	..	3,641,382 3,409,397
International Teaching Fellowships .. .. .	..	..	..	621,612 507,281	206,102 160,200	..	..	..	49,168 10,650	..	..	..	..	876,882 678,131
Operating Costs—Hostels and Residential Camps .. .. .	..	..	..	..	..	33,343 41,703	..	88,705 79,597	..	1,059,165 989,242	..	..	..	1,181,213 1,110,542
Buildings, Sites, &c.—Capital Expenditure	25,131 29,898	..	13,738,456 12,511,227	13,575,685 8,823,992	10,734,102 14,089,592	1,244,086 104,494	..	268,594 715,639	714,320 1,259,271	45,765 31,390	..	..	..	40,346,139 37,568,988
Buildings, Sites, &c.—Maintenance Expenditure	13,184 18,033	..	3,496,433 2,842,409	2,001,128 1,283,424	931,906 537,613	9,821 17,675	57,065 39,741	32,539 18,357	327,376 334,833	119,847 86,679	..	..	..	6,989,299 5,178,764
Grants, &c.	293,061 252,391	..	2,702,696 2,213,445	1,733,596 822,175	18,468,665 15,850,315	52,768 31,412	350 175	51,794 46,087	340,000 220,000	..	64,445,683 47,126,475	10,251,344 8,505,885	..	98,339,957 75,068,360

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, 1972.	Value as at 30th June, 1973.
Departments—		\$	\$
Agriculture	Machinery and Equipment Parts, Fuel, Seed, Publications	241,772	275,879
Chief Secretary—			
Police	Radio and Vehicle Parts, Clothing, Office Requisites	491,831	472,114
Conservation—			
Fisheries and Wildlife Division	Publications, Motor Tyres, Field Equipment ..	25,022	13,445
Crown Lands and Survey	Implements, Equipment, Plans, Photographic Materials	1,616,943	1,649,512
Education	School and Office Requisites, Books, Equipment	1,072,967	1,009,506
Forests	Vehicle Parts, Tools, Fuel	208,999	156,274
Health	Hardware, Instruments, Drugs	58,859	63,781
Mental Health Authority	Bedding, Hardware, Clothing	823,147	931,455
Mines	Bore Casing, Tools, Chemicals	385,900	384,772
Public Works	Mechanical and Electrical Equipment, Spare Parts, Furniture, Building Materials	1,091,605	1,173,793
Railways	Engineering, Refreshment Services, General Stores	9,230,995	9,564,591
Social Welfare	Clothing, Hardware, Materials	362,102	374,164
Treasurer—Government Printer	Paper, Stationery, Publications	1,534,246	1,566,117
Water Supply	Machinery Parts, Tools, General Stores ..	2,131,373	2,387,848
Public Authorities—			
Cancer Institute	Medical, Technical and General Stores ..	81,095	87,702
Council of Adult Education	Theatrical Equipment	16,506	16,908
Country Fire Authority	Fire Appliances, Hose, Spare Parts, Uniforms	138,656	131,772
Country Roads Board	Vehicle Parts and Accessories, Camping Equipment, General Stores	1,182,117	1,054,870
Egg and Egg Pulp Marketing Board	Eggs, Packing Materials, Spare Parts ..	890,523	618,445
Gas and Fuel Corporation	Gas Appliances, Fittings, General Stores ..	4,183,537	4,412,291
Geelong Harbor Trust	Engineering and Maintenance Stores ..	42,464	40,776
Housing Commission	Building Materials, Stationery	376,743	365,103
La Trobe University	Stationery, Office Requisites	21,377	23,896
Latrobe Valley Water and Sewerage Board..	Construction Materials, Pipes, Spare Parts ..	13,099	12,221
Melbourne and Metropolitan Board of Works	Engineering Stores, Spare Parts, Pipes, Meters	3,456,000	3,949,000
Melbourne and Metropolitan Tramways Board	Engineering Stores and Parts, Uniforms, Stationery	933,708	902,055
Melbourne Harbor Trust	Maintenance and Engineering Stores ..	844,177	899,308
Metropolitan Fire Brigades Board.. .. .	Fire Appliances, Electrical and Engineering Stores, Uniforms	295,000	290,000
Monash University	Building Materials, Stationery, Books ..	322,713	689,235
Portland Harbor Trust	Maintenance and Engineering Stores ..	67,987	60,088
Rural Finance and Settlement Commission..	Constructional and General Stores	8,847	7,434
State Electricity Commission	Electrical, Maintenance and Constructional Stores	9,864,567	10,204,232
State Relief Committee	Clothing, Bedding, Hardware, Provisions ..	48,530	60,675
Transport Regulation Board	Stationery and Office Requisites	45,019	52,466
University of Melbourne	Building Materials, Stationery	75,178	72,172
Victorian Inland Meat Authority	Meat, General Stores	877,343	1,919,173
	Total	43,060,947	45,893,073

APPENDIX D.

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 COUNCIL AND LEGISLATIVE ASSEMBLY HOUSE COMMITTEE	102	2	1	1,000	1,195	+ 195
			2	1,200	1,198	- 2
			3	1,000	143	- 857
			4	30,450	31,167	+ 717
			7	650	597	- 53
PARLIAMENTARY DEBATES	109	1	2	135,800	135,996	+ 196
			3	650	454	- 196
		2	2	930	1,035	+ 105
			3	300	195	- 105
PREMIER.						
GOVERNOR'S OFFICE	120	2	1	400	431	+ 31
			2	3,600	3,569	- 31
			3	12,550	13,745	+ 1,195
			4	7,500	7,721	+ 221
			6	11,800	10,384	- 1,416
PREMIER'S OFFICE	121	1	3	55,000	57,536	+ 2,536
			4	12,000	9,464	- 2,536
		2	1	21,250	22,400	+ 1,150
			2	13,000	16,933	+ 3,933
			3	14,500	15,986	+ 1,486
			4	11,650	14,910	+ 3,260
			5	65,500	45,428	- 20,072
			7	4,000	3,885	- 115
			8	35,000	43,200	+ 8,200
			9	14,500	16,658	+ 2,158
PUBLIC SERVICE BOARD	136	2	2	13,000	13,780	+ 780
			3	86,000	83,533	- 2,467
			4	3,200	4,413	+ 1,213
			7	3,900	4,374	+ 474
PUBLIC SERVICE BOARD ELECTRONIC DATA PROCESSING SERVICE BUREAU	139	1	2	388,300	388,126	- 174
			3	1,000	1,174	+ 174
		2	1	1,900	1,879	- 21
			2	60,000	60,226	+ 226
			3	700	498	- 202
			4	20	17	- 3
AUDIT OFFICE	142	1	2	764,500	767,852	+ 3,352
			3	2,500	1,590	- 910
			4	10,000	7,558	- 2,442
		2	1	36,000	34,200	- 1,800
			2	4,500	3,500	- 1,000
			3	2,700	2,100	- 600
			5	5,400	8,800	+ 3,400
ARTS.						
STATE FILM CENTRE	154	2	1	2,800	1,900	- 900
			5	2,500	3,400	+ 900
CHIEF SECRETARY.						
CHIEF SECRETARY'S OFFICE	160	2	1	3,200	3,782	+ 582
			2	5,000	4,020	- 980
			3	33,000	31,045	- 1,955
			4	1,800	1,548	- 252
			5	7,000	9,605	+ 2,605
		3	2	60,000	60,110	+ 110
			3	200	90	- 110
GOVERNMENT SHORTHAND WRITER	181	2	1	1,080	732	- 348
			2	1,230	1,647	+ 417
			4	290	221	- 69
GOVERNMENT STATIST	184	1	2	606,900	609,103	+ 2,203
			3	26,500	26,475	- 25
			4	5,000	2,822	- 2,178
		2	2	60,000	59,250	- 750
			4	26,500	27,250	+ 750
POLICE	187	1	2	41,460,000	41,343,343	- 116,657
			4	500,000	616,657	+ 116,657
		2	1	830,000	762,740	- 67,260
			2	435,000	434,918	- 82
			3	315,000	375,000	+ 60,000
			4	830,000	838,169	+ 8,169
			8	77,000	76,983	- 17
			10	90,000	89,388	- 612
			11	13,000	11,802	- 1,198
			12	6,000	7,000	+ 1,000

APPENDIX D.—continued.

Particulars.	Vote.			Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase - Decrease
	Division.	Sub- Division.	Item.			
CHIEF SECRETARY.—continued.						
STATE LIBRARY, NATIONAL MUSEUM AND SCIENCE MUSEUM ADMINISTRATION	193	1	2	308,300	308,962	+ 662
			3	24,000	24,507	+ 507
			4	5,000	3,831	- 1,169
		2	3	7,000	7,500	+ 500
			4	13,000	13,850	+ 850
			6	32,500	31,150	- 1,350
STATE LIBRARY	196	1	3	46,000	46,099	+ 99
			4	6,000	5,901	- 99
		2	1	4,000	4,096	+ 96
			5	850	767	- 83
			7	10,000	9,987	- 13
SCIENCE MUSEUM	202	1	2	118,500	118,931	+ 431
			3	1,500	1,069	- 431
		2	1	500	600	+ 100
			3	2,000	2,200	+ 200
			5	250	290	+ 40
			7	12,000	11,660	- 340
SOCIAL WELFARE.						
SOCIAL WELFARE ADMINISTRATION AND RESEARCH AND STATISTICS	240	1	2	826,900	834,168	+ 7,268
			3	30,000	23,679	- 6,321
			4	10,000	9,053	- 947
		2	1	38,000	33,680	- 4,320
			5	15,500	19,820	+ 4,320
FAMILY WELFARE	246	1	3	375,000	375,059	+ 59
			4	30,000	29,941	- 59
		2	1	56,500	52,400	- 4,100
			4	33,000	34,100	+ 1,100
			5	13,000	16,000	+ 3,000
			9	2,796,300	2,808,777	+ 12,477
			10	470,000	457,523	- 12,477
YOUTH WELFARE	249	1	3	365,000	365,593	+ 593
			4	5,000	4,407	- 593
		2	1	38,500	34,381	- 4,119
			2	10,000	8,485	- 1,515
			3	2,000	2,500	+ 500
			4	22,000	22,500	+ 500
			5	22,000	25,000	+ 3,000
			7	440,000	429,890	- 10,110
			8	435,000	451,158	+ 16,158
			9	63,000	58,586	- 4,414
PRISONS	252	2	1	30,300	30,254	- 46
			2	4,800	4,665	- 135
			3	850	1,482	+ 632
			4	24,750	26,450	+ 1,700
			5	35,000	34,732	- 268
			6	149,330	149,249	- 81
			7	550,000	564,849	+ 14,849
			8	285,000	284,940	- 60
			9	275,000	258,409	- 16,591
TRAINING	255	1	2	174,400	175,798	+ 1,398
			3	3,000	1,602	- 1,398
		2	1	5,300	4,100	- 1,200
			4	3,000	4,200	+ 1,200
			6	4,000	2,153	- 1,847
			7	6,000	7,847	+ 1,847
		3	1	1,800	1,450	- 350
			2	28,000	27,657	- 343
			3	10,000	10,693	+ 693
PROBATION AND PAROLE	258	1	3	60,000	57,490	- 2,510
			4	3,000	5,510	+ 2,510
LABOUR AND INDUSTRY.						
LABOUR AND INDUSTRY	280	1	3	19,000	15,963	- 3,037
			4	50,000	53,037	+ 3,037
		2	1	90,000	89,727	- 273
			2	96,000	96,655	+ 655
			3	4,500	5,599	+ 1,099
			5	15,000	13,729	- 1,271
			8	9,600	9,390	- 210
		3	1	5,000	5,931	+ 931
			2	2,500	2,668	+ 168
			3	4,000	3,998	- 2
			4	500	223	- 277
			5	2,000	1,435	- 565
			7	1,000	745	- 255
EDUCATION.						
EDUCATION	300	1	2	244,305,450	244,795,372	+ 489,922
			3	136,000	174,980	+ 38,980
			4	3,620,000	3,091,098	- 528,902

APPENDIX D.—continued.

Particulars.	Vote.			Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase - Decrease
	Division.	Sub-Division.	Item.			
				\$	\$	\$
EDUCATION—continued.	300	2	1	1,148,000	1,178,000	+ 30,000
			3	689,000	649,938	- 39,062
			4	289,000	309,000	+ 20,000
			6	2,434,000	2,772,441	+ 338,441
			8	240,000	229,103	- 10,897
			9	645,700	622,740	- 22,960
			10	180,000	149,772	- 30,228
			12	129,000	127,798	- 1,202
			13	8,000	6,519	- 1,481
			14	9,241,900	8,864,345	- 377,555
			16	1,600,000	1,694,944	+ 94,944
		3	2	5,762,400	5,812,000	+ 49,600
			4	11,400,000	11,534,566	+ 134,566
			6	3,665,000	3,632,320	- 32,680
			7	1,142,350	1,087,338	- 55,012
			9	650	644	- 6
			10	500	298	- 202
			11	92,460	88,705	- 3,755
			12	5,000	1,428	- 3,572
			13	17,000	25,000	+ 8,000
			14	10,000	3,426	- 6,574
			15	12,000	13,000	+ 1,000
			16	1,500	1,482	- 18
			17	213,000	223,741	+ 10,741
			24	980,000	876,883	- 103,117
			25	22,000	23,029	+ 1,029
TEACHERS TRIBUNAL	320	2	1	1,000	2,243	+ 1,243
			3	6,500	4,995	- 1,505
			4	2,300	2,545	+ 245
			5	500	517	+ 17
ATTORNEY-GENERAL.						
ATTORNEY-GENERAL	350	1	3	21,000	21,366	+ 366
			4	20,000	19,634	- 366
		2	1	21,000	24,403	+ 3,403
			2	38,000	37,354	- 646
			3	39,200	36,987	- 2,213
			5	5,000	4,979	- 21
			10	3,000	2,477	- 523
COURTS ADMINISTRATION	356	1	2	4,666,300	4,701,245	+ 34,945
			4	70,000	35,055	- 34,945
		2	1	210,000	226,226	+ 16,226
			3	85,000	87,549	+ 2,549
			4	155,000	178,339	+ 23,339
			8	153,400	128,956	- 24,444
			9	232,200	214,530	- 17,670
REGISTRAR-GENERAL AND REGISTRAR OF TITLES ..	359	1	3	60,000	67,421	+ 7,421
			4	10,000	2,579	- 7,421
		2	1	8,500	12,579	+ 4,079
			2	70,000	61,329	- 8,671
			3	32,000	34,500	+ 2,500
			4	17,500	18,000	+ 500
			5	1,300	1,292	- 8
			6	14,500	16,100	+ 1,600
REGISTRAR OF COMPANIES	362	1	2	585,100	589,415	+ 4,315
			3	8,100	8,134	+ 34
			4	5,000	651	- 4,349
		2	1	6,000	5,521	- 479
			2	23,300	22,995	- 305
			3	2,000	2,325	+ 325
			4	11,000	11,459	+ 459
RENT CONTROL	365	1	2	84,500	86,139	+ 1,639
			4	2,000	361	- 1,639
		2	1	1,900	1,904	+ 4
			2	200	196	- 4
PUBLIC TRUSTEE	368	1	2	868,000	868,862	+ 862
			3	20,000	18,372	- 1,628
			4	3,000	3,766	+ 766
		2	1	5,800	4,733	- 1,067
			3	13,500	14,567	+ 1,067
TREASURER.						
TREASURY	400	1	2	505,800	503,871	- 1,929
			3	14,000	14,949	+ 949
			4	1,000	1,980	+ 980
			1	9,250	9,345	+ 95
		2	1	18,200	19,312	+ 1,112
			2	4,750	4,347	- 403
			3	17,000	16,757	- 243
			4	2,400	1,839	- 561
			5	300,000	282,119	- 17,881
		3	3	25,000	27,657	+ 2,657
			8	50,000	632,724	+ 582,724
			10	180,000	183,817	+ 3,817
			13	4,500	4,689	+ 189
			20	80,000	91,218	+ 11,218
			21	650,000	345,764	- 304,236
			30	500,000	221,512	- 278,488
			32			
TENDER BOARD	412	1	2	38,100	37,607	- 493
			4	2,500	2,993	+ 493
		2	1	250	180	- 70
			2	6,000	6,534	+ 534
			3	1,600	1,233	- 367
			4	450	353	- 97

APPENDIX D.—*continued.*

Particulars.	Vote.			Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase - Decrease
	Division.	Sub- Division.	Item.			
TREASURER—<i>continued.</i>						
STATE SUPERANNUATION BOARD	415	2	2	\$ 46,250	\$ 42,230	- 4,020
			3	128,000	132,020	+ 4,020
REGISTRY OF CO-OPERATIVE HOUSING SOCIETIES AND CO-OPERATIVE SOCIETIES AND HOME FINANCE ADMINISTRATION	418	2	1	6,700	6,500	- 200
			3	600	800	+ 200
TAXATION OFFICE	421	1	2	971,600	986,478	+ 14,878
			4	17,000	2,122	- 14,878
		2	1	350	600	+ 250
			2	40,000	39,563	- 437
			3	2,200	1,749	- 451
			4	30,000	30,638	+ 638
STAMP DUTIES	424	1	2	687,200	695,400	+ 8,200
			3	31,500	22,741	- 8,759
			4	31,000	31,559	+ 559
		2	2	93,800	93,400	- 400
			3	2,950	3,350	+ 400
GOVERNMENT PRINTER	427	1	2	2,037,100	2,040,782	+ 3,682
			4	53,000	49,318	- 3,682
CONSERVATION.						
SOIL CONSERVATION AUTHORITY	439	1	2	847,500	847,663	+ 163
			3	1,000	837	- 163
		2	1	29,000	28,779	- 221
			2	8,800	8,777	- 23
			3	21,000	20,999	- 1
			4	21,500	22,093	+ 593
			5	27,000	26,977	- 23
			7	1,000	697	- 303
			8	3,000	2,978	- 22
FISHERIES AND WILDLIFE	441	2	1	57,350	61,150	+ 3,800
			2	12,000	11,963	- 37
			3	26,000	23,857	- 2,143
			5	75,000	77,432	+ 2,432
			6	19,240	17,995	- 1,245
			7	25,000	24,178	- 822
			8	2,000	108	- 1,892
			9	15,000	14,907	- 93
LAND CONSERVATION COUNCIL	443	2	1	5,000	4,960	- 40
			3	4,000	4,149	+ 149
			5	3,000	6,000	+ 3,000
			6	1,000	1,455	+ 455
			7	37,000	33,436	- 3,564
LANDS.						
CROWN LANDS ADMINISTRATION	450	1	2	2,145,000	2,143,004	- 1,996
			3	16,000	17,996	+ 1,996
		2	2	24,000	20,200	- 3,800
			4	45,000	48,800	+ 3,800
			5	6,400	5,581	- 819
			6	3,200	3,519	+ 319
			7	1,250	1,750	+ 500
SURVEY	456	2	1	160,000	157,800	- 2,200
			2	16,000	16,500	+ 500
			3	1,000	1,200	+ 200
			5	33,000	34,500	+ 1,500
		3	1	147,000	146,279	- 721
			3	450	475	+ 25
			4	20,800	21,496	+ 696
BOTANIC AND DOMAIN GARDENS AND NATIONAL HERBARIUM	459	2	1	2,100	1,925	- 175
			2	5,000	4,988	- 12
			3	6,500	6,757	+ 257
			4	1,900	1,832	- 68
			7	8,000	7,998	- 2
PUBLIC WORKS.						
PUBLIC WORKS	480	2	1	264,000	262,800	- 1,200
			3	60,000	52,200	- 7,800
			4	70,000	79,000	+ 9,000
		3	3	334,500	329,530	- 4,970
			5	147,500	147,486	- 14
			6	9,000	8,774	- 226
			7	18,650	23,860	+ 5,210
PORTS AND HARBORS	490	2	2	4,000	3,959	- 41
			3	14,500	14,541	+ 41
		3	3	59,500	62,700	+ 3,200
			7	860,000	856,106	- 3,894
			8	3,270	3,964	+ 694

APPENDIX D.—continued.

Particulars.	Vote.			Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase — Decrease
	Division.	Sub- Division.	Item.			
				\$	\$	\$
LOCAL GOVERNMENT.						
LOCAL GOVERNMENT	510					
		1	2	468,300	466,422	— 1,878
			3	15,200	17,078	+ 1,878
			2	10,000	12,000	+ 2,000
			3	6,500	10,389	+ 3,889
			5	14,300	8,411	— 5,889
		3	1	5,000	4,549	— 451
			2	3,000	930	— 2,070
			3	2,500	2,464	— 36
			4	700	303	— 397
			5	69,200	70,200	+ 1,000
			6	31,000	32,954	+ 1,954
VALUER-GENERAL	516					
		1	2	598,400	604,189	+ 5,789
			4	8,000	2,211	— 5,789
		2	1	53,500	53,602	+ 102
			2	21,300	22,150	+ 850
			3	1,500	1,900	+ 400
			4	2,000	1,980	— 20
			5	3,700	2,368	— 1,332
WEIGHTS AND MEASURES	519					
		1	2	276,600	275,794	— 806
			4	1,000	1,806	+ 806
TOWN AND COUNTRY PLANNING BOARD	522					
		2	1	17,600	18,406	+ 806
			3	15,850	15,482	— 368
			4	1,200	1,786	+ 586
			5	2,500	1,476	— 1,024
MINES.						
MINES	540					
		2	1	37,600	38,550	+ 950
			3	29,000	29,118	+ 118
			4	7,000	6,967	— 33
			5	36,000	34,969	— 1,031
			7	4,500	4,496	— 4
		3	1	1,300	1,750	+ 450
			2	370,300	386,634	+ 16,334
			3	17,650	17,628	— 22
			4	15,300	14,977	— 323
			5	3,500	3,499	— 1
			6	30,000	25,606	— 4,394
			8	10,000	10,000	— 10,000
			9	12,400	10,356	— 2,044
AGRICULTURE.						
AGRICULTURE ADMINISTRATION	570					
		2	1	8,700	8,636	— 64
			2	16,200	18,200	+ 2,000
			3	4,000	4,721	+ 721
			5	7,000	4,264	— 2,736
			6	3,400	3,729	+ 329
			7	1,000	750	— 250
		3	1	280,000	280,439	+ 439
			2	33,000	32,985	— 15
			3	107,410	107,310	— 100
			4	3,500	3,491	— 9
			5	7,680	7,365	— 315
AGRICULTURAL EDUCATION	576					
		1	2	172,300	173,186	+ 886
			3	2,000	1,991	— 9
			4	5,000	4,123	— 877
		2	1	1,700	1,851	+ 151
			2	850	821	— 29
			3	1,000	883	— 117
			5	700	695	— 5
		3	1	817,000	832,468	+ 15,468
			2	163,000	147,654	— 15,346
			3	183,530	183,408	— 122
AGRICULTURE	579					
		3	1	196,650	196,958	+ 308
			2	125,370	125,714	+ 344
			3	71,160	71,041	— 119
			5	2,500	2,345	— 155
			6	58,430	58,255	— 175
			7	22,050	22,434	+ 384
			8	32,430	32,414	— 16
			9	40,790	40,219	— 571
HORTICULTURE	582					
		1	2	1,834,700	1,835,083	+ 383
			3	78,000	77,617	— 383
		3	1	44,080	42,967	— 1,113
			2	86,750	86,912	+ 162
			4	38,990	38,973	— 17
			5	23,990	24,324	+ 334
			6	13,830	13,749	— 81
			7	25,350	25,317	— 33
			10	11,700	11,648	— 52
			11	9,000	9,800	+ 800
ANIMAL HEALTH	585					
		2	1	54,000	50,679	— 3,321
			2	3,000	2,974	— 26
			4	4,200	4,110	— 90
			7	16,000	15,976	— 24
			8	40,000	40,537	+ 537
			9	18,000	20,930	+ 2,930
			10	110,000	109,994	— 6
		3	1	73,260	73,539	+ 279
			2	49,950	49,969	+ 19
			3	2,400	2,392	— 8
			4	68,750	69,388	+ 638
			5	87,000	84,873	— 2,127
			7	9,400	10,599	+ 1,199

APPENDIX D.—*continued.*

Particulars.	Vote.			Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase — Decrease
	Division.	Sub- Division.	Item.			
AGRICULTURE.—<i>continued.</i>						
				\$	\$	\$
ANIMAL INDUSTRY	588	1	2	845,800	846,251	+ 451
			3	5,000	4,706	— 294
			4	6,500	6,343	— 157
		2	2	1,250	1,036	— 214
			4	400	148	— 252
			5	15,000	15,466	+ 466
		3	2	97,700	97,954	+ 254
			3	22,340	22,210	— 130
			4	3,000	2,997	— 3
			5	11,570	11,449	— 121
DAIRYING	591	3	1	91,260	91,076	— 184
			2	85,440	85,417	— 23
			3	12,100	12,307	+ 207
EXTENSION SERVICES	594	1	2	282,200	284,331	+ 2,131
			3	400	269	— 131
			4	2,000	..	— 2,000
HEALTH.						
HEALTH ADMINISTRATION	620	1	2	393,100	393,752	+ 652
			3	7,900	8,500	+ 600
			4	5,000	3,748	— 1,252
		2	1	6,000	7,414	+ 1,414
			2	13,400	5,229	— 8,171
			3	20,000	19,695	— 305
			4	7,000	6,986	— 14
			5	5,000	3,182	— 1,818
			7	37,000	45,999	+ 8,999
			8	7,000	6,895	— 105
		3	1	20,000	16,179	— 3,821
			6	4,000	6,406	+ 2,406
			11	8,000	9,415	+ 1,415
GENERAL HEALTH	626	1	2	1,231,000	1,231,499	+ 499
			3	3,650	3,151	— 499
		2	4	14,800	17,000	+ 2,200
			5	12,000	13,500	+ 1,500
			8	212,000	206,010	— 5,990
			9	26,500	27,500	+ 1,000
			12	22,500	23,000	+ 500
			13	10,200	10,500	+ 300
			14	3,200	3,690	+ 490
		3	1	275,000	230,649	— 44,351
			2	1,283,000	1,201,061	— 81,939
			3	127,500	143,000	+ 15,500
			4	5,270	5,276	+ 6
			5	600	216	— 384
			6	3,550,000	3,661,343	+ 111,343
			8	14,000	13,825	— 175
TUBERCULOSIS	629	3	1	311,500	316,800	+ 5,300
			2	816,900	796,300	— 20,600
			3	645,400	660,700	+ 15,300
MATERNAL AND CHILD WELFARE	632	2	1	35,000	31,820	— 3,180
			2	5,500	5,477	— 23
			3	19,000	14,706	— 4,294
			4	9,500	8,870	— 630
			5	9,100	10,000	+ 900
			7	62,600	39,603	— 22,997
			8	287,900	250,701	— 37,199
			9	175,300	198,000	+ 22,700
			10	145,000	189,323	+ 44,323
			11	3,000	3,400	+ 400
		3	3	785,000	788,325	+ 3,325
			5	77,900	74,575	— 3,325
ALCOHOLISM AND DRUG DEPENDENCY SERVICES ..	633	1	3	87,500	81,255	— 6,245
			4	5,000	11,245	+ 6,245
MENTAL HYGIENE	635	2	1	97,500	87,500	— 10,000
			2	71,500	78,000	+ 6,500
			4	180,000	199,000	+ 19,000
			7	3,232,300	3,172,800	— 59,500
			8	650,000	680,000	+ 30,000
			10	256,000	270,000	+ 14,000
		3	1	106,000	102,024	— 3,976
			2	1,050,000	1,051,614	+ 1,614
			3	26,000	28,362	+ 2,362
DEVELOPMENT AND DECENTRALIZATION.						
STATE DEVELOPMENT	660	2	1	2,000	2,340	+ 340
			4	2,200	1,890	— 310
			5	4,200	4,170	— 30
IMMIGRATION	666	1	2	93,470	93,490	+ 20
			3	4,500	4,480	— 20
INDUSTRIAL DEVELOPMENT.. .. .	669	2	2	8,000	15,000	+ 7,000
			3	25,000	16,556	— 8,444
			4	2,500	3,944	+ 1,444
FUEL AND POWER.						
MINISTRY OF FUEL AND POWER	700	2	1	5,700	6,000	+ 300
			2	3,950	4,008	+ 58
			3	1,200	846	— 354
			4	600	596	— 4

APPENDIX D.—continued.

Particulars.	Vote.			Parliamentary Appropriation.	Appropriation after Variation by Governor in Council.	+ Increase - Decrease
	Division.	Sub- Division.	Item.			
RAILWAY CONSTRUCTION.						
RAILWAY CONSTRUCTION BOARD	710					
		1	2	79,400	79,583	+ 183
			3	1,000	991	- 9
			4	15,700	15,526	- 174
		2	8	2,280	2,355	+ 75
			9	13,200	13,125	- 75
TRANSPORT.						
MINISTRY OF TRANSPORT	720					
		2	1	1,000	936	- 64
			2	3,050	2,679	- 371
			3	2,000	2,211	+ 211
			4	1,800	2,455	+ 655
			5	1,400	969	- 431
FORESTS.						
FORESTS COMMISSION	730					
		3	1	868,910	868,035	- 875
			7	5,225	6,100	+ 875
WATER SUPPLY.						
STATE RIVERS AND WATER SUPPLY COMMISSION ..	740					
		1	2	9,218,200	9,231,687	+ 13,487
			3	33,000	36,995	+ 3,995
			4	225,000	207,518	- 17,482
		2	1	180,000	193,635	+ 13,635
			2	105,000	93,718	- 11,282
			3	103,000	103,988	+ 988
			4	73,000	78,000	+ 5,000
			6	24,000	21,822	- 2,178
			7	290,000	278,518	- 11,482
			8	16,700	15,652	- 1,048
			9	113,000	119,367	+ 6,367
			10	118,000	117,155	- 845
			12	115,000	115,845	+ 845
		3	1	244,550	241,600	- 2,950
			2	2,601,000	2,616,358	+ 15,358
			3	1,507,500	1,532,371	+ 24,871
			4	67,700	64,701	- 2,999
			5	105,700	97,001	- 8,699
			6	95,850	111,814	+ 15,964
			8	2,275,000	2,241,275	- 33,725
			9	345,000	335,783	- 9,217
			10	4,000	6,081	+ 2,081
			11	15,000	14,316	- 684

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