

1976

VICTORIA

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SUPPLEMENTARY REPORT

OF THE

AUDITOR-GENERAL

FOR THE YEAR ENDED

30th JUNE, 1976

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*Ordered by the Legislative Assembly to be printed, 30th November, 1976.*

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*By Authority:*

C. H. RIXON, GOVERNMENT PRINTER, MELBOURNE.

# INDEX

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	PAGE
Albury-Wodonga (Victoria) Corporation .. .. .	4
Cancer Institute .. .. .	3
Chicory Marketing Board .. .. .	46
Citrus Fruit Marketing Board .. .. .	47
Coal Mine Workers Pensions Tribunal .. .. .	5
Country Fire Authority .. .. .	3
Dandenong Valley Authority .. .. .	6
Egg and Egg Pulp Marketing Board .. .. .	48
Electricity Commission .. .. .	8
Gas and Fuel Corporation of Victoria .. .. .	17
Geelong Harbor Trust .. .. .	27
Grain Elevators Board .. .. .	29
Greyhound Racing Control Board .. .. .	31
Home Finance Trust .. .. .	32
Hospitals Superannuation Board .. .. .	34
Housing Commission .. .. .	36
Latrobe Valley Water and Sewerage Board .. .. .	44
Local Authorities Superannuation Board .. .. .	3
Marketing Boards .. .. .	46
Melbourne and Metropolitan Board of Works .. .. .	52
Melbourne and Metropolitan Tramways Board .. .. .	59
Melbourne Harbor Trust .. .. .	61
Melbourne Underground Rail Loop Authority .. .. .	63
Metropolitan Fire Brigades Board .. .. .	65
Motor Accidents Board .. .. .	67
Oats Marketing Board .. .. .	46
Onion Marketing Board .. .. .	50
Portland Harbor Trust .. .. .	69
Public Trustee .. .. .	71
Rural Finance and Settlement Commission .. .. .	74
State Insurance Office .. .. .	3
State Superannuation Board of Victoria .. .. .	83
Tobacco Leaf Marketing Board .. .. .	51
Totalizator Agency Board .. .. .	87
Victorian Development Corporation .. .. .	90

# REPORT OF THE AUDITOR-GENERAL OF VICTORIA

SUPPLEMENTAL TO THE REPORT OF 9th NOVEMBER, 1976, IN RELATION TO  
THE TREASURER'S STATEMENT OF THE FINANCES FOR THE YEAR  
ENDED 30TH JUNE, 1976.

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As authorized by paragraph (b) of sub-section (1) of Section 47 of the *Audit Act* 1958, I present to the Legislative Assembly a Report on the accounts of certain of the statutory bodies which the Auditor-General is required by law to audit. With respect to the accounts of several of the public authorities, the figures furnished herein are subject to audit, but, generally, in such cases, sufficient progress has been made in the audits to establish that the figures published are substantially correct.

The accounts of the Local Authorities Superannuation Board, for the year ended 29th February, 1976, are not available for inclusion in this Report. The accounts of the Cancer Institute Board for the year 1975-76 have not been prepared in the form required by the provisions of Section 54 of the *Cancer Act* 1958, and are, therefore, not presented in this Report. The accounts of the Country Fire Authority for the year 1975-76 were also not available for inclusion.

The accounts of the State Insurance Office, the successor in law of the State Accident Insurance Office and the State Motor Car Insurance Office, have been completed. However, the audit has not been concluded because certain items affecting the final result for the year are still under consideration by me. For this reason, the accounts have not been included in this Report.

**ALBURY-WODONGA (VICTORIA) CORPORATION.**

The *Albury-Wodonga Agreement Act* 1973, which came into operation on 10th April, 1974, ratified an Agreement called the "Albury-Wodonga Area Development Agreement" entered into on 23rd October, 1973, between the Commonwealth of Australia and the States of New South Wales and Victoria. The purpose of the Agreement is to promote the growth and development of the Albury-Wodonga area and, to this end, the Agreement makes provision for the establishment of three Corporations—the Albury-Wodonga Development Corporation, the principal working body of the project, and two State Corporations—constituted by Acts of the Parliaments of the Commonwealth and the two States, respectively. The three corporations work as a single entity responsible to the Ministerial Council consisting of the appropriate Commonwealth and State Ministers. The principal functions of the State Corporations are to acquire, hold, manage and provide land in the areas designated for urban and regional development.

The Victorian Corporation, the Albury-Wodonga (Victoria) Corporation, was constituted by the Albury-Wodonga Agreement Act and consists of three members appointed by the Governor in Council. These three members are also the three full-time members of the Development Corporation.

Also, the Agreement provides for the preparation and submission to the Ministerial Council for approval each year of a Development Plan together with a Financial Programme which, when approved, is binding on the Development Corporation and each State Corporation. Administrative expenses are shared equally between the parties to the Agreement.

The Act requires the State Corporation to prepare at the end of each financial year a profit and loss account and a balance-sheet and provides for an annual audit by the Auditor-General.

Certain accounting aspects of the relationship between the Development Corporation and the two State Corporations still require clarification and settlement, and this has resulted in delay in the presentation for audit of the final accounts of the Victorian State Corporation for the years ended 30th June, 1975, and 1976, respectively. The final accounts for those years were not available at the time of preparation of this Report.

**COAL MINE WORKERS PENSIONS TRIBUNAL.**

The Tribunal controls the Coal Mine Workers Pensions Fund into which, up to 31st December, 1968, were paid annual contributions determined actuarially and collected on a specified basis from mine owners, mine workers and the Treasurer of Victoria. Since 1st January, 1969, the Treasurer of Victoria has been the sole contributor. Following an actuarial investigation in 1970, which showed that the Fund would probably be sufficient to meet its obligations, no further contribution in terms of Section 121 of the *Coal Mines Act* 1958 was made by the Treasurer. However, subsequent developments required the sale of all investments prior to maturity date. The Tribunal, having exhausted all its own funds, was provided with temporary finance to the extent of \$76,002 from Treasurer's Advance to enable pension commitments to be met. As the Act does not provide for this situation, amending legislation is being sought.

Particulars of income and expenditure for the past two years are :—

		INCOME.								
1974-75.										1975-76.
\$										\$
16,421	Interest on Investments	..	..	..	..	..	..	..	..	1,502
<u>16,421</u>										<u>1,502</u>
		EXPENDITURE.								
169,786	Pensions	..	..	..	..	..	..	..	..	190,754
42,997	Loss on Sale of Investments	..	..	..	..	..	..	..	..	47,630
11,169	Administration	..	..	..	..	..	..	..	..	14,436
<u>223,952</u>										<u>252,820</u>
207,531	Deficit for year	..	..	..	..	..	..	..	..	<u>251,318</u>

At the dates shown, the accumulated surplus/deficit of the Tribunal was:—

30.6.75.										30.6.76.
\$										\$
184,458	Accumulated Surplus/Deficit	..	..	..	..	..	..	..	..	<u>(66,860)</u>
		Represented by—								
665	Fixed Assets	..	..	..	..	..	..	..	..	665
184,000	Investments at Cost	..	..	..	..	..	..	..	..	..
<u>184,665</u>										<u>665</u>
207	Less Excess of Current Liabilities over Current Assets	..	..	..	..	..	..	..	..	<u>67,525</u>
<u>184,458</u>										<u>(66,860)</u>

## DANDENONG VALLEY AUTHORITY.

Functions of the Authority include the drainage of the waters of the Dandenong Creek and its tributaries, the improvement of lands within its catchment area and the prevention of flooding and pollution. Amending legislation during the year declared portion of the Mordialloc Creek to be a tributary of the Dandenong Creek.

The Authority's balancing date is the 30th September in each year and the accounts have been audited to 30th September, 1975.

Following is an abridged statement of the General Revenue Account for the years ended 30th September, 1974 and 1975 :—

1973-74.		1974-75.
\$		\$      \$
	<b>Income—</b>	
1,181,350	Rating Precepts—Municipalities .. .. .	1,421,520
236,512	Other .. .. .	318,224
<u>1,417,862</u>		<u>1,739,744</u>
	<b>Expenditure—</b>	
221,590	Administration .. .. .	273,538
343,164	Maintenance of Works .. .. .	497,923
152,364	Survey, Investigation and Design .. .. .	196,863
90,140	Depreciation Provision .. .. .	115,463
334,647	Debt Services .. .. .	385,447
<u>1,141,905</u>		<u>1,469,234</u>
275,957	Excess of Income over Expenditure .. .. .	270,510
50,787	Transfer from Plant Replacement Reserve .. .. .	31,385
<u>326,744</u>		<u>301,895</u>
17,732	Less Appropriation to Loans Repayment Sinking Fund .. .. .	16,864
<u>309,012</u>	Net Surplus for year.. .. .	<u>285,031</u>

The Authority's balances at 30th September, 1974 and 1975, are summarized hereunder :—

30.9.74.		30.9.75.
\$		\$      \$
	<b>Current Assets—</b>	
3,026,833	Cash at Bank .. .. .	2,527,296
157,666	Debtors and Prepayments .. .. .	360,634
31,045	Other .. .. .	39,904
<u>3,215,544</u>		<u>2,927,834</u>
	<b>Fixed Assets—</b>	
320,934	Land and Buildings (at cost) .. .. .	351,578
341,437	Plant, Vehicles and Equipment (at cost less depreciation) .. .. .	389,552
18,575	Office Furniture and Machines (at cost less depreciation) .. .. .	15,634
<u>680,946</u>		<u>756,764</u>
	<b>Capitalized Works Expenditure—</b>	
3,253,179	River Improvement Works .. .. .	3,634,216
8,533,389	Piped or Lined Drainage Channels .. .. .	10,613,431
1,774,657	Carrum Drainage District .. .. .	1,773,614
1,245,259	Flood Retarding Basins .. .. .	1,705,218
1,017,123	Land Acquisition and Compensation .. .. .	1,798,206
326,122	Other .. .. .	343,620
<u>16,149,729</u>		<u>19,868,305</u>
389,847	Less Provision for Depreciation .. .. .	513,107
<u>15,759,882</u>		<u>19,355,198</u>
499,346	Investments .. .. .	661,291
<u>20,155,718</u>		<u>23,701,087</u>

30.9.74.						30.9.75.		
\$						\$	\$	
	<b>Current Liabilities—</b>							
112,357	Bank Overdraft	..	..	..	..	275,053		
88,186	Sundry Creditors	..	..	..	..	106,017		
34,690	Contractors' Deposits	..	..	..	..	38,358		
						419,428		
	<b>Loans—</b>							
619,361	Government of Victoria	..	..	..	..	616,828		
5,144,996	Other	..	..	..	..	5,621,043		
						6,237,871		
5,999,590							6,657,299	
	<b>Excess of Assets over Liabilities—</b>							
192,086	Grants by Government of Victoria	..	..	..	..	429,828		
2,864,910	Capital Expenditure Borne by the State	..	..	..	..	3,064,388		
8,582,661	Contributions by Property Owners	..	..	..	..	10,536,121		
133,981	Other Grants and Contributions	..	..	..	..	290,990		
104,772	Plant Replacement Reserve	..	..	..	..	62,948		
31,728	Loans Repayment Sinking Fund	..	..	..	..	128,492		
2,245,990	General Revenue Account Balance	..	..	..	..	2,531,021		
						17,043,788		
14,156,128							23,701,087	
20,155,718							23,701,087	

## ELECTRICITY COMMISSION.

The Commission recorded a surplus of \$20,250,047 on its operations for the year ended 30th June, 1976, compared with a surplus of \$23,671,899 in the previous year.

Operating and other forms of income increased by \$50,112,815. An increase of 4·8 per cent. in electricity sales accompanied by the overall increase of 10 per cent. in tariff charges was responsible for the increase of 14·9 per cent. in income.

An 11 per cent. increase in salaries and wages and higher costs of materials and services were contributing factors in the increase of \$53,534,667 in operating costs for the year.

## REVENUE ACCOUNT.

The financial operations and results for the past two years are shown in the following statement :—

1974-75.		1975-76.	
\$		\$	\$
348,210,202	Income .. .. .	..	398,243,568
254,461,120	Operating Expenditure .. .. .	..	296,058,399
<hr/>			
93,749,082	Excess of Income over Operating Expenditure .. .. .	..	102,185,169
172,793	Add—Miscellaneous Income .. .. .	..	252,242
<hr/>			
93,921,875			102,437,411
	<i>Deduct—</i>		
68,947,889	Interest and Loan Flotation Expenses .. .. .	80,124,918	
1,302,087	Miscellaneous Expenditure .. .. .	2,062,446	
<hr/>			
70,249,976			82,187,364
<hr/>			
23,671,899	Surplus on Operations.. .. .	..	20,250,047
..	Less Balance of Yallourn Resettlement Expenditure previously capitalised .. .. .	..	581,864
			<hr/>
			19,668,183
	Provision for Statutory Transfers to the Consolidated Fund of Victoria—		
13,500,000	Based on Total Revenue for 1975-76 .. .. .	15,480,000	
667,483	Based on Brown Coal Production in 1975-76 .. .. .	690,805	
9,000,000			16,170,805
<hr/>			
23,167,483	Provision for Long Service Leave .. .. .	..	3,300,000
			<hr/>
504,416	Surplus to General Reserve .. .. .	..	19,470,805
<hr/>			197,378

The Public Authorities (Contributions) Act provides for an annual contribution based on total revenue to be made by the Commission to the Consolidated Fund. The present rate of contribution is 4 per cent. and, since 1966, when the requirement first applied, a total of \$81,990,000 has been contributed by the Commission.



After the allocation of relevant operating expense and overhead (including depreciation, interest and loan flotation expense), the preceding summary may be re-stated as follows to show sectional results for the year 1975-76 compared with the previous year :—

1974-75.		1975-76.	
\$		\$	\$
29,071,367	Profit on Electricity Supply .. .. .	26,452,343	
136,258	Profit on Brown Coal Sales (Yallourn North Extension) ..	238,822	
<hr/>		<hr/>	
29,207,625			26,691,165
4,384,863	Loss on Briquetting .. .. .		4,608,831
<hr/>			<hr/>
24,822,762	Profit on Operations .. .. .		22,082,334
1,150,863	Excess of Miscellaneous Expenditure over Income ..		1,832,287
<hr/>			<hr/>
23,671,899	Income in Excess of Expenditure for Year .. .. .		20,250,047
<hr/>			<hr/>

Comments on various aspects of the year's operations follow :—

*Electricity Supply.*—(Profit \$26,452,343). Operational statements for the past two years show :—

	1974-75.	1975-76.
	\$	\$
<b>Sales—</b>		
Domestic .. .. .	116,462,188	132,232,414
Commercial and General .. .. .	59,275,748	70,461,098
Industrial .. .. .	84,415,896	95,567,700
Bulk Supplies .. .. .	62,324,089	73,132,295
Traction .. .. .	4,555,028	5,478,049
Public Lighting and Increase in Unread Consumption ..	9,284,406	9,594,215
	<hr/>	<hr/>
	336,317,355	386,465,771
<b>Operating Charges—</b>		
Power Generation .. .. .	138,483,723	167,607,762
Purchased Electricity .. .. .	19,393,214	21,497,772
Transmission .. .. .	52,937,979	58,259,335
Distribution .. .. .	96,431,072	112,648,559
	<hr/>	<hr/>
	307,245,988	360,013,428
<b>Profit</b> .. .. .	29,071,367	26,452,343
	<hr/>	<hr/>

The increase in operating charges as compared with 1974-75 was slightly higher than the increase in sales, thus causing profit on electricity supply to be lower than the previous year. The number of new customers increased by 27,700.

*Brown Coal Production and Distribution.*—Coal won for the year amounted to 28,081,507 tonnes, an increase of 1,761,026 tonnes on the previous year's production.

The summary which follows presents in comparative form the annual output obtained from the various open cuts for the past two years and, in parentheses, shows, in respect of each year, the production costs per tonne.

	1974-75. Tonnes.	1975-76. Tonnes.
Morwell .. .. .	14,104,742 (\$1.42)	15,353,607 (\$1.51)
Yallourn .. .. .	11,942,102 (\$1.38)	12,485,851 (\$1.57)
Yallourn North Extension .. .. .	273,637 (\$1.27)	242,049 (\$1.64)
	<u>26,320,481</u>	<u>28,081,507</u>

Distribution of the output was as follows :—

	1974-75. Tonnes.	1975-76. Tonnes.
Power Production .. .. .	23,091,454	25,327,003
Briquette Manufacture .. .. .	2,955,390	2,512,455
Sales to Public .. .. .	273,637	242,049
	<u>26,320,481</u>	<u>28,081,507</u>

*Briquetting.*—(Loss \$4,608,831). Trading results for the past two years, excluding costs charged on internal transfers to works, are shown in the following statement :—

	1974-75.		1975-76.	
	\$	\$	\$	\$
Sales—				
Domestic .. .. .	6,277,175		5,240,742	
Industrial .. .. .	5,131,503		5,900,430	
	<u>11,408,678</u>		<u>11,141,172</u>	
Manufacturing Costs .. .. .	10,661,283		10,862,586	
Distribution and Selling .. .. .	5,132,258		4,887,417	
	<u>15,793,541</u>		<u>15,750,003</u>	
Loss .. .. .		<u>4,384,863</u>		<u>4,608,831</u>

*Tramways.*—Further expenditure incurred during the year in consequence of the abandonment during 1971–72 of tramway services in Ballarat and Bendigo was as under :—

	1975-76.	Total to 30-6-76.
	\$	\$
Road Restoration Works—Ballarat .. .. .	..	820,000
Bendigo .. .. .	167,070	507,593
Pensioner Fares—Subsidies .. .. .	71,626	237,826
Operating subsidy, Compensation, Loss of Franchises, etc., Bus Operators—Bendigo .. .. .	521,190	676,890
Operating Subsidy, Bus Operators—Ballarat .. .. .	141,569	141,569

Following an opinion of the Solicitor-General that certain payments made to bus operators in Ballarat and Bendigo were ultra vires the *State Electricity Commission Act 1958*, legislation was enacted to validate the payments, to provide for further financial assistance to the operators and to allow compensation to the Country Roads Board for track removal and road reinstatement at Bendigo. The legislation limited the financial assistance to 31st October, 1976. Operating subsidies were provided for payment to one operator in Ballarat and two in Bendigo based on recoup of losses together with a profit margin of twelve per cent. on turnover.

#### *Depreciation.*

The following comparative statement shows depreciation charges for the past two years :—

	1974-75.	1975-76.
	\$	\$
Normal provision—charged to operations .. .. .	54,560,964	59,234,857
Indirect—charged to fixed assets .. .. .	1,500,071	1,702,520
	<hr/>	<hr/>
Amortization—Development of open cuts—charged to operations	56,061,035	60,937,377
	633,900	681,100
	<hr/>	<hr/>
	56,694,935	61,618,477

The balance-sheet discloses that at 30th June, 1976, the provision had increased by \$55,515,234 compared with the figure at 30th June, 1975. This net increase is explained hereunder :—

	\$
Balance—30th June, 1975 .. .. .	554,345,688
Add Provision for year as per statement above .. .. .	60,937,377
	<hr/>
Less Retirements .. .. .	615,283,065
	5,422,143
	<hr/>
Balance—30th June, 1976 .. .. .	609,860,922

The greater portion of the provision for depreciation remains invested in the undertaking, but some use has been made of it to meet the following statutory requirements :—

	\$
National Debt Sinking Fund—Repurchases, etc. .. .. .	33,300,733
Sinking Fund Schedule Requirements—Repurchases, etc. .. .. .	20,230,990
Sinking Fund Investments .. .. .	25,009,100
Sinking Fund, cash awaiting investment .. .. .	701,531

#### *Interest.*

The following statement compares the interest charges for the past two years and shows the allocation to Revenue Account and Fixed Assets :—

	1974-75.	1975-76.
	\$	\$
On—Capital Liabilities .. .. .	71,215,794	78,571,829
Acquisition Loans from Municipalities .. .. .	124,939	107,254
Advances from Provident Fund .. .. .	5,740,452	6,243,539
Advances from Employees' Retirement Fund .. .. .	5,902	41,231
Advances for Capital Works .. .. .	2,978,108	3,485,232
Current Liabilities .. .. .	42,321	14,197
	<hr/>	<hr/>
	80,107,516	88,463,282
Deduct Interest earned on Investments .. .. .	10,282,628	8,712,555
	<hr/>	<hr/>
	69,824,888	79,750,727

These totals were allocated in the accounts as under :—

	\$	\$
Revenue Account .. .. .	68,460,504	79,750,727
Fixed Assets—Component of charges for services .. .. .	1,364,384	..
	<hr/>	<hr/>
	69,824,888	79,750,727

The Commission's balances at 30th June, 1975, and 1976, are summarized hereunder—

30.6.75.		30.6.76.
\$		\$            \$
	<b>Current Assets—</b>	
1,740,627	Balances at Bank and Cash in Hand .. ..	1,840,640
33,122,574	Customers' and Other Accounts Receivable ..	38,169,901
28,119,319	Estimated Income from Unread Electricity Consumption .. ..	32,149,287
17,315,758	Materials and Fuel—at cost .. ..	20,810,280
243,745	Miscellaneous Deferred Charges .. ..	3,149,737
<u>80,542,023</u>		<u>96,119,845</u>
78,585,596	Investments—at cost .. ..	68,983,497
<u>4,533,189</u>	Long Term Debtors (Real Estate Sales) .. ..	3,975,565
	<b>Fixed Assets—</b>	
1,612,662,665	Assets in Service—at cost .. ..	1,741,122,571
554,345,688	Deduct Provision for Depreciation .. ..	609,860,922
<u>1,058,316,977</u>		<u>1,131,261,649</u>
113,529,138	Assets Not Yet in Service—at cost .. ..	119,114,552
14,388,688	Development of Open Cuts—balance of cost ..	16,200,852
<u>1,186,234,803</u>		<u>1,266,577,053</u>
<u>1,349,895,611</u>		<u>1,435,655,960</u>
	<b>Current Liabilities—</b>	
14,616,953	Accounts Payable and Miscellaneous Accruals ..	22,374,512
16,912,760	Interest Accrued .. ..	19,847,621
14,167,483	Provision for Transfers to State Revenue .. ..	16,170,805
2,395,842	Customers' and Contractors' Deposits .. ..	2,646,916
<u>48,093,038</u>		<u>61,039,854</u>
	<b>Deferred Liabilities—</b>	
107,935,947	Advances for Capital Works .. ..	128,243,952
1,460,280	Acquisition Loans from Municipalities .. ..	1,197,855
30,750,000	Provision for Long Service Leave and Retiring Allowances .. ..	34,050,000
<u>140,146,227</u>		<u>163,491,807</u>
	<b>Reserves—</b>	
18,256,887	General Reserve .. ..	19,140,104
19,187,958	Customers' and Other Contributions for Capital Works .. ..	26,088,868
<u>37,444,845</u>		<u>45,228,972</u>
	<b>Capital Liabilities—</b>	
831,211,218	Inscribed Stock and Debentures .. ..	866,003,937
293,000,283	Victorian Government Advances .. ..	299,891,390
<u>1,124,211,501</u>		<u>1,165,895,327</u>
<u>1,349,895,611</u>		<u>1,435,655,960</u>

The following is a re-statement (in abbreviated form) of the balance-sheets at 30th June, 1975 and 1976, to show funds held by the Commission at the balance dates and the assets representing those funds—

	30.6.75.	30.6.76.	Variation.
	\$	\$	\$
<i>Funds held—</i>			
External Borrowings (net) .. .. .	1,183,685,383	1,239,756,359	+ 56,070,976
Provident Fund Advances .. .. .	49,922,345	55,580,775	+ 5,658,430
Internal Funds .. .. .	599,441,433	664,130,794	+ 64,689,361
	<u>1,833,049,161</u>	<u>1,959,467,928</u>	<u>+126,418,767</u>
<i>Represented by—</i>			
Gross Fixed Assets .. .. .	1,740,580,491	1,876,437,975	+135,857,484
Long Term Debtors .. .. .	4,533,189	3,975,565	— 557,624
Net Current Assets .. .. .	32,549,470	35,224,507	+ 2,675,037
Investments .. .. .	55,386,011	43,829,881	— 11,556,130
	<u>1,833,049,161</u>	<u>1,959,467,928</u>	<u>+126,418,767</u>

#### *Fixed Assets.*

The following statement shows the details of fixed assets at the close of the past two years :—

	30.6.75.	30.6.76.
	\$	\$
Coal Production .. .. .	93,070,688	102,296,929
Briquette Production and Distribution .. .. .	33,534,669	33,763,815
Power Production—		
Thermal Stations .. .. .	574,772,531	627,413,628
Hydro Stations .. .. .	75,707,170	76,649,504
Transmission System .. .. .	349,360,331	362,384,146
Distribution System .. .. .	455,105,203	500,970,120
General Service Assets.. .. .	144,641,211	156,758,981
	<u>1,726,191,803</u>	<u>1,860,237,123</u>
Deduct Provision for Depreciation .. .. .	554,345,688	609,860,922
	<u>1,171,846,115</u>	<u>1,250,376,201</u>
Development of Open Cuts—		
Balance of Cost .. .. .	14,388,688	16,200,852
	<u>1,186,234,803</u>	<u>1,266,577,053</u>

#### *Investments.*

During the year, the Commission's investments, including deposits held on account of contractors and customers, decreased by \$9,602,099.

Portion of the Commission's reserve liquidity is invested in various short-term money market transactions, all of which are supported by bank securities. An investment of \$1.5 million with a company which went into liquidation was recovered under a bank irrevocable letter of credit. One quarter's interest of \$29,809 was not received and, acting on legal advice that receipt of the amount as an unsecured creditor was most unlikely, the Commission treated the amount as being irrecoverable. Action has been taken to ensure that, in future, letters of credit will relate to interest as well as to the principal sum.

Investments held at 30th June, 1975 and 1976, were as follows :—

	30.6.75.	30.6.76.
	\$	\$
<i>General—</i>		
Government and semi-Government Securities .. .. .	21,721,025	16,008,413
Short Term Money Market, "Buy Back" Securities and Commercial Bills .. .. .	17,559,986	11,716,468
Shares in Australian Char Pty. Ltd. .. .. .	105,000	105,000
Bank Deposits .. .. .	16,000,000	16,000,000
	<u>55,386,011</u>	<u>43,829,881</u>
<i>Sinking Fund—</i>		
Government and semi-Government Securities .. .. .	23,099,100	25,009,100
Contractors' and Customers' Deposits .. .. .	100,485	144,516
	<u>78,585,596</u>	<u>68,983,497</u>

*Advances for Capital Works.*

A greater number of land development schemes, together with increased acceptance of the Commission's terms for overhead supply extensions by developers, caused the substantial increase in self-help loans outstanding at 30th June, 1976. Further advances were received from the Swiss Bank Corporation for the construction of two turbo-generators for the Newport Power Station.

The Commission's liability on account of advances for capital works increased during the year. Details are:—

	Balance. 30. 6. 75. \$	Balance. 30. 6. 76. \$	Variation for Year. \$
Customers' Advances for Capital Works (Self Help)	41,867,829	47,528,464	+ 5,660,635
Advances for Construction of Offices and Showrooms	2,199,554	1,927,144	— 272,410
Advances for Construction of Power Stations ..	13,946,219	23,207,569	+ 9,261,350
	<u>58,013,602</u>	<u>72,663,177</u>	<u>+14,649,575</u>
Advances from Provident Fund .. ..	49,922,345	55,580,775	+ 5,658,430
	<u>107,935,947</u>	<u>128,243,952</u>	<u>+20,308,005</u>

A summary of transactions for the past two years in respect of Customers' Advances for Capital Works shows—

	1974-75.		1975-76.	
	\$	\$	\$	\$
Contributions received .. .. .	6,250,069		12,301,310	
Interest credits .. .. .	2,570,499		2,868,564	
	<u>8,820,568</u>		<u>15,169,874</u>	
Less refunds of instalments and expired deposits, and transfers to customers' accounts as payment for supplies of electricity .. ..	9,495,388		9,509,239	
Net Increase/Decrease .. .. .	<u>— 674,820</u>		<u>+ 5,660,635</u>	

*Provision for Long Service Leave.*

A further \$3,300,000 was appropriated to the Provision for Long Service Leave, bringing its balance to \$34,050,000 at 30th June, 1976.

*Loans.*

The loan liability of \$299,891,390 to the Treasury at 30th June, 1976, was determined after the deduction of \$46,970,780, the Commission's equity in the National Debt Sinking Fund. The increase in this equity during 1975-76 was \$3,348,365, in respect of which a credit of \$685,839 was made to the General Reserve representing, mainly, the relevant Commonwealth contributions to the Fund less National Debt charges in connexion with the repurchase of securities.

Including settlements of \$2,768,800 on account of loans authorized in 1974-75, loan moneys raised by the Commission during the year amounted to \$75,853,100. The sources of these moneys were:—

	\$
Public Loans .. .. .	21,390,800
Private Loans .. .. .	53,314,900
Retired Staff Loans .. .. .	1,147,400
	<u>75,853,100</u>

The net increase in Commission loans in 1975-76 was \$34,792,719. The difference of \$41,060,381 between the total raisings of \$75,853,100, detailed immediately above, and the net increase represents the total of conversions and redemptions of maturing loans and payments in reduction of current loans.

*Reserves.*

The balance-sheet discloses that, at 30th June, 1976, Reserves totalled \$45,228,972 compared with \$37,444,845 at 30th June, 1975.

(i) *General Reserve.*—The increase of \$883,217 in the balance of this Reserve is accounted for as follows:—

	\$	\$
Balance at 30th June, 1975 .. .. .	18,256,887	
Add—Surplus from Revenue Appropriation Account ..	197,378	
Credit on account of contributions to the National Debt Sinking Fund for 1975-76 not payable by the Commission, less certain charges .. .. .	685,839	
	<u>883,217</u>	
Balance at 30th June, 1976 .. .. .		<u>19,140,104</u>

(ii) *Customers' and Other Contributions for Capital Works.*—The balances of this Reserve at 30th June, 1975 and 1976, comprise non-repayable contributions made to the Commission towards the cost of fixed assets.

The large increase in the number of land development schemes and the acceptance by the developers of the Commission's conditions for underground supply mains, particularly in the eastern metropolitan area, were the main reasons for the large rise in the item "Customers and Other Contributions for Capital Works".

## S.E.C. SUPERANNUATION FUND.

The Electricity Commission Provident Fund, as a result of an actuarial review and a subsequent plebiscite of members, adopted a new set of rules, changed its name to the S.E.C. Superannuation Fund and provided a greatly improved scheme of benefits. In order to finance the new provisions the Commission's contribution was increased from the rate of 1.5:1 to 2:1 of members' contributions and a fixed percentage (at present 5 per cent.) of the superannuation pay-roll was also allocated to overtake the actuarial deficit caused by the new benefits. Members' contributions will be limited, eventually, to 6.5 per cent. of salary.

The previous rule whereby 30 per cent. of its investments was required to be in Public Securities (within the meaning of that expression as used in the Income Tax and Social Services Contribution Assessment Act) was deleted from the new rules. As a result of this deletion, it is possible that the moneys available from the Superannuation Fund for advances to the Commission or for subscription to loans floated in future by the Commission could be considerably reduced.

The newly-formed Investment Advisory Committee has suggested a wider range of investments for moneys available in the Superannuation Fund. It must be pointed out that, while some of the suggested forms of investment have a potentially higher return, they carry a higher degree of risk.

The following statement shows operations of the Fund during the year :—

	\$	\$
Balance of Fund at 30th June, 1975 .. .. .	..	133,326,000
Add—Contributions—Commission .. .. .	19,317,568	
Officers .. .. .	6,604,594	
	<hr/>	25,922,162
Investment Income .. .. .	..	12,709,599
		<hr/>
		171,957,761
Less—Benefit Payments .. .. .	..	13,678,935
Balance of Fund at 30th June, 1976 .. .. .	..	<hr/>
		158,278,826
The Fund was represented by—		
Assets—		
Investments in Commission—Loan Advances .. .. .	55,580,775	
Inscribed Stock (at cost) .. .. .	39,235,100	
		<hr/>
		94,815,875
Freehold Property (Less Provision for Depreciation) .. .. .	6,328,402	
Other Investments (at cost)—Company Shares .. .. .	15,824,240*	
Company Debentures .. .. .	8,629,039	
Property Development .. .. .	3,758,135	
Property Trust .. .. .	3,000,300	
Property Leaseholds .. .. .	5,875,000	
Mortgages .. .. .	8,290,470	
Convertible Notes .. .. .	49,779	
Bank Endorsed Commercial Bills .. .. .	6,500,000	
Bank Guaranteed Loans .. .. .	2,000,000	
Housing Societies .. .. .	108,904	
		<hr/>
		60,364,269
Accrued Income—Contributions .. .. .	431,500	
Investment Income .. .. .	3,387,958	
		<hr/>
		3,819,458
		<hr/>
		158,999,602
Less—Liabilities—		
Investment Purchases Awaiting Settlement .. .. .	141,531	
Benefits Accrued and Unpaid .. .. .	577,700	
Valuation Fees Received in Advance .. .. .	1,545	
		<hr/>
		720,776
		<hr/>
		158,278,826

\* Market Valuation 30th June, 1976, \$14,865,800.

## S.E.C. EMPLOYEES' RETIREMENT AND BENEFIT FUND.

From 1st May, 1970, a Fund was established for the benefit of wages award employees who were not contributors to the Provident Fund. For a weekly contribution which is matched by the Commission at the rate of \$2 for each \$1.00 of contributions, members are eligible for a lump-sum benefit on retirement or total and permanent disablement. In addition, certain benefits are available to dependants in the event of a contributor's earlier death. Membership is voluntary.

Details of the Fund's operations from 1st July, 1975, to 30th June, 1976, are :—

	\$	\$
Balance of Fund at 30th June, 1975 .. .. .	..	4,107,938
Add Contributions—Commission .. .. .	1,008,584	
Employees .. .. .	501,560	
	<hr/>	1,510,144
Investment Income .. .. .	..	479,376
		<hr/>
		6,097,458
Less—Benefit Payments .. .. .	..	814,634
Balance of Fund at 30th June, 1976 .. .. .	..	<hr/>
		5,282,824

The Fund was represented by—						\$	\$
<i>Assets—</i>							
Advances to Commission	..	..	..	..	..		226,195
Freehold Property ( <i>Less</i> Provision for Depreciation)	..	..	..	..	..		710,360
Investments (at Cost)—Company Shares	..	..	..	..	..	928,369*	
Company Debentures, Notes, &c.	..	..	..	..	..	2,178,577	
Property Trusts	..	..	..	..	..	750,075	
Property Development	..	..	..	..	..	58,770	
Mortgages	..	..	..	..	..	532,711	
Convertible Notes	..	..	..	..	..	87,630	
						<hr/>	4,536,132
Accrued Income—Contributions	..	..	..	..	..	38,700	
Interest	..	..	..	..	..	88,335	
						<hr/>	127,035
							<hr/>
							5,599,722
<i>Less—Liabilities—</i>							
Benefits Accrued and Unpaid	..	..	..	..	..	280,512	
Investment Purchases awaiting Settlement	..	..	..	..	..	36,372	
Legal Expenses Received in Advance	..	..	..	..	..	14	316,898
						<hr/>	<hr/>
							5,282,824

\* Market Valuation 30th June, 1976, \$893,054.



## GAS AND FUEL CORPORATION OF VICTORIA.

By statutory direction, the accounts of the Gas and Fuel Corporation of Victoria have been audited jointly by the Auditor-General and auditors appointed by the Corporation.

The following statement shows the income and expenditure of the Corporation for the year ended 30th June, 1976, and the consolidated figures of the Corporation and its subsidiaries, Waldorf Appliances Pty. Ltd., Mount Gambier Gas Company Ltd., and the Albury Gas Company Ltd., for the years ended 30th June, 1975 and 1976.

Consolidated. 1975		Gas and Fuel Corporation 1976	Consolidated. 1976
\$		\$	\$
	Income—		
	Sales—		
92,473,987	Gas .. .. .	109,127,422	109,709,786
45,656,744	Appliances, L.P. Gas, Residual and Other Products .. .. .	48,162,603	50,412,435
<u>138,130,731</u>			<u>160,122,221</u>
	Cost of Sales—		
23,368,516	Gas .. .. .	26,763,073	26,988,178
36,773,882	Appliances, L.P. Gas and Other Products	39,302,931	40,993,106
<u>60,142,398</u>			<u>67,981,284</u>
77,988,333			91,224,021
	Expenditure (Note 1)—		
20,545,979	Distribution .. .. .	28,137,132	28,358,665
17,034,365	Marketing .. .. .	18,533,028	18,960,021
31,965,620	Administration .. .. .	32,560,645	33,178,733
4,574,850	Amortization of Natural Gas Change-over Costs .. .. .	6,912,207	6,912,207
<u>74,120,814</u>			<u>86,143,012</u>
3,867,519	Profit on Trading .. .. .		5,081,009
..	Dividends Receivable (Note 3) .. .. .		16,757
			<u>4,731,311</u>
3,867,519	Net Profit for Year before Income Tax, Transfers to Reserves and Fixed Dividends .. .. .		5,097,766
			<u>4,731,311</u>
3,000,000	Contribution to Consolidated Fund .. .. .	3,820,000	3,820,000
26,633	Income Tax .. .. .	..	7,395
50,000	Transfer to Contingency Reserve .. .. .	50,000	50,000
<u>3,076,633</u>			<u>3,870,000</u>
790,886	Transferred from Income Tax Provision .. .. .	..	1,227,766
2,047			..
	Balance carried forward to Profit and Loss Appropriation Account .. .. .		1,227,766
<u>792,933</u>			<u>855,396</u>

The quantity of gas sold for the year was 83,494,578 gigajoules returning \$1.31 per gigajoule compared with, in 1974-75, 72,133,125 gigajoules for a unit return of \$1.27.

The *Public Authorities (Contributions) Act 1966* requires the Corporation to pay to the Consolidated Fund in each financial year a contribution of an amount equal to 4 per cent. of the total revenue of the Corporation in the preceding financial year. In terms of the legislation, an amount of \$95,500,000 was agreed to by the Treasurer and the Corporation as the total revenue for the year 1974-75 and 4 per cent. thereof, \$3,820,000, was paid to the Consolidated Fund in June, 1976.

Movements in the Profit and Loss Appropriation Account for the year were :—

	\$	\$
Balance brought forward 1st July, 1975 .. .. .	180,803	
Net Profit for year from Profit and Loss Account .. .. .	855,396	
	<hr/>	
Available for Appropriation .. .. .	..	1,036,199
Preference Shares Dividend at 4 per cent. per annum for year ended 30th June, 1976.. .. .	315,278	
“ B ” Preference Shares Dividend at 6 per cent. per annum for year ended 30th June, 1976 .. .. .	361,260	
	<hr/>	676,538
Balance carried forward 30th June, 1976 .. .. .	..	<hr/> 359,661

The following is a consolidated statement of the balances of the Corporation and its subsidiaries Waldorf Appliances Pty. Ltd., Mount Gambier Gas Company Ltd., and the Albury Gas Company Ltd. at 30th June in each of the past two years, arranged to show the funds employed and the assets representing the total funds. The Corporation's balances at 30th June, 1976 are also shown.

Consolidated 30.6.75.		Gas and Fuel Corporation 30.6.76.		Consolidated 30.6.76.
\$		\$	\$	\$
	<b>Shareholders' Funds—</b>			
	<b>Subscribed Capital—</b>			
7,881,952	3,940,976 4 per cent. Cumulative Preference Shares of \$2 each (Note No. 4) .. ..	7,881,952		7,881,952
6,021,006	3,010,503 6 per cent. " B " Cumulative Preference Shares of \$2 each .. ..	6,021,006		6,021,006
8,000,000	4,000,000 Ordinary Shares of \$2 each subscribed by the State of Victoria .. ..	8,000,000		8,000,000
<u>21,902,958</u>	<b>Subscribed Capital (Fully Paid) .. ..</b>		<u>21,902,958</u>	<u>21,902,958</u>
	<b>Reserves—</b>			
2,375,971	General Reserve .. ..	2,472,370		2,472,370
30,303,648	Asset Realization Reserves .. ..	30,297,965		30,368,847
707,336	Contingencies Reserve .. ..	757,336		757,336
			<u>33,527,671</u>	<u>33,598,553</u>
180,803	Profit and Loss Appropriation Account .. ..		788,135	359,661
<u>55,470,716</u>			<u>56,218,764</u>	<u>55,861,172</u>
	<b>Deferred Liabilities—</b>			
10,100,217	Advances from State of Victoria .. ..	10,101,741		10,101,741
1,585,342	Less securities purchased and cancelled by the National Debt Commission .. ..	1,706,833		1,706,833
<u>8,514,875</u>			<u>8,394,908</u>	<u>8,394,908</u>
	<b>Debentures and Debenture Stock (Secured)—</b>			
15,747,757	Redeemable within twelve months .. ..	11,720,843		11,720,843
209,842,330	Redeemable after twelve months .. ..	236,291,887		236,291,887
<u>225,590,087</u>			<u>248,012,730</u>	<u>248,012,730</u>
	<b>\$ Contingent Liabilities—</b>			
6,041,000	Commitments under Contracts for Capital Expenditure and Bank Guarantees	15,988,000		15,988,000
<u>289,575,678</u>			<u>312,626,402</u>	<u>312,268,810</u>

Consolidated 30.6.75.		Gas and Fuel Corporation 30.6.76.		Consolidated 30.6.76.
\$		\$	\$	\$
	<b>Fixed Assets—</b>			
270,910,608	Freeholds, Leaseholds, Machinery, Plant, Equipment and Capital Work in progress (at cost or valuation) (Note No. 11) .. ..	311,289,972		313,381,823
53,671,801	Less Provision for Depreciation .. ..	60,934,482		61,256,488
<u>217,238,807</u>			250,355,490	<u>252,125,335</u>
	<b>Current Assets—</b>			
2,196,335	Cash in Hand and at Banks .. ..	2,097,199		2,104,365
..	Short-term Deposits .. ..	3,300,000		3,300,000
28,121,899	Trade and Other Debtors ( <i>less</i> provision for Bad and Doubtful Debts and Consumers' Deposits) (Note No. 8) .. ..	28,724,385		29,397,190
12,769,276	Stocks at Cost or Valuation .. ..	13,361,571		14,320,470
417,994	Prepayments .. ..	565,459		569,271
..	Amount owing by Subsidiaries .. ..	3,003,654	..	..
<u>43,505,504</u>			51,052,268	<u>49,691,296</u>
	<b>Less Current Liabilities—</b>			
16,114,498	Trade and Other Creditors .. ..	26,924,295		27,203,651
6,906,279	Bank Overdraft .. ..	7,042,253		7,061,921
	<b>Provisions—</b>			
9,213,028	Long Service Leave .. ..	10,308,671		10,411,507
1,095,281	Retiring Allowances .. ..	935,907		935,907
900,300	Deferred Repairs .. ..	888,900		894,000
338,269	Preference Dividend .. ..	338,269		338,269
26,271	Income Tax .. ..	..		7,048
..	Natural Gas Changeover Costs .. ..	..		64,650
<u>34,593,926</u>			46,438,295	<u>46,916,953</u>
<u>8,911,578</u>	Net Current Assets .. ..		4,613,973	<u>2,774,343</u>
	<b>Investments—</b>			
..	In Subsidiary Companies (Note No. 15) ..	1,197,432		..
36,713	In Other Companies .. ..	36,713		36,713
<u>36,713</u>			1,234,145	<u>36,713</u>
	<b>Intangibles—</b>			
5,817,452	Goodwill on consolidation .. ..	5,798,524		5,817,452
452,553	Unamortised Debenture Issue Expenses (Note No. 12) .. ..	571,886		571,886
51,542,533	Natural Gas Change-over Costs (Note No. 13)	45,888,549		46,779,246
5,576,042	Pipeline Establishment Expenses (Note No. 14)	4,163,835		4,163,835
<u>63,388,580</u>			56,422,794	<u>57,332,419</u>
<u>289,575,678</u>			<u>312,626,402</u>	<u>312,268,810</u>

## DIRECTORS' EXPLANATORY NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 1976.

	Consolidated 1976	Consolidated 1975	Corporation 1976	Corporation 1975
	\$'000	\$'000	\$'000	\$'000
1. Charges against revenue for the year included—				
(a) Interest on debenture and other fixed loans from outside group .. .. .	16,728	15,032	16,728	15,032
Other interest outside group .. .. .	243	123	242	141
	<u>16,971</u>	<u>15,155</u>	<u>16,970</u>	<u>15,173</u>
Less: Interest received on investments ..	763	486	935	606
	<u>16,208</u>	<u>14,669</u>	<u>16,035</u>	<u>14,567</u>
(b) Provision in respect of Depreciation—				
on Buildings, Plant and Equipment	11,369	7,162	11,289	7,109
on Stores .. .. .	245	475	244	475
	<u>11,614</u>	<u>7,637</u>	<u>11,533</u>	<u>7,584</u>
Amortisation—				
Natural Gas Change-over Costs ..	5,500	4,200	5,500	4,200
Pipeline Establishment Expenses ..	1,412	375	1,412	375
Doubtful Debts—Trade .. .. .	517	495	510	495
Hire Purchase .. .. .	30	30	30	30
Long Service Leave .. .. .	2,206	3,511	2,183	3,461
Retiring Allowances .. .. .	114	807	114	807
Deferred Repairs .. .. .	627	369	627	365
	<u>22,020</u>	<u>17,424</u>	<u>21,909</u>	<u>17,317</u>
The cost of plant in normal course of retirement \$630,000 (1975 \$559,000) has been deducted from the Provision for Depreciation.				
(c) Directors' remuneration .. .. .	17	20	17	17
(d) Audit Fees (Auditing Group Accounts)	39	39	34	35
The Auditors received no other benefits.				
The 1975 Profit and Loss Account comparative figures for "Gas" and "Distribution" have been varied to reflect the changed responsibility for certain gas supply systems operations and flow measurement.				
2. Bad Debts have been written off against provisions for—				
Trade Debtors .. .. .	416	413	410	412
Hire Purchase Debtors .. .. .	24	25	24	25
3. Profit (Loss) from Subsidiaries—		1976	1975	
		\$'000	\$'000	
Waldorf Appliances Pty. Ltd. .. .. .		16	18	
Mt. Gambier Gas Co. Ltd. .. .. .		(112)	(31)	
Albury Gas Co. Ltd. .. .. .		(260)	(15)	

4. Capital—	1976 \$'000	1975 \$'000
Authorised Capital—		
7,500,000 4 per cent Cumulative preference Shares of \$2 each .. .. .	15,000	15,000
6,625,000 6 per cent " B " Cumulative Preference Shares of \$2 each.. .. .	13,250	13,250
7,500,000 Ordinary Shares of \$2 each .. .. .	15,000	15,000
	<u>43,250</u>	<u>43,250</u>
Issued Capital—		
4 per cent Cumulative Preference Shares of \$2 each	7,882	7,882
6 per cent " B " Cumulative Preference Shares of \$2 each .. .. .	6,021	6,021
Ordinary Shares of \$2 each .. .. .	8,000	8,000
	<u>21,903</u>	<u>21,903</u>

All ordinary shares issued are held by the State of Victoria. The Articles of Association of the Corporation restrict the transfer of the 4 per cent Cumulative Preference Shares to any transferee other than the State of Victoria, except in special circumstances.

5. Reserves—	Consolidated 1976 \$'000	Consolidated 1975 \$'000	Corporation 1976 \$'000	Corporation 1975 \$'000
Increases in Reserves during the year were—				
Transfer to Contingency Reserve ..	50	50	50	50
Increase in General Reserve for equity increase in the National Debt Sinking Fund .. .. .	97	91	97	91
Increase in Capital Reserves for provision for Redundant Plant	..	65	..	..
Profit on sale of fixed assets transferred to Asset Realisation Reserve ..	129	356	129	356

6. Advances from the State of Victoria .. .. .	1976 \$'000
Discount and charges incurred .. .. .	102
	<u>10,102</u>
Less: Equity in National Debt Sinking Fund .. .. .	1,707
	<u>8,395</u>

7. Debentures—	Consolidated 1976 \$'000	Consolidated 1975 \$'000	Corporation 1976 \$'000	Corporation 1975 \$'000
Redeemable 1–2 years from 30th June ..	15,613	11,610	15,613	11,610
Redeemable 2–5 years from 30th June ..	53,222	43,680	53,222	43,680
Redeemable after 5 years from 30th June ..	167,457	154,552	167,457	154,552

The due repayment of the principal sums and the payment of all interest secured by any debentures or debenture stock issued by the Corporation is guaranteed by the Government of Victoria under Clause 13 of the *Gas and Fuel Corporation Act 1958*.

	Consolidated 1976 \$'000	Consolidated 1975 \$'000	Corporation 1976 \$'000	Corporation 1975 \$'000
<b>8. Debtors and Prepayments—</b>				
Trade .. .. .	27,640	26,251	26,954	25,612
Hire Purchase .. .. .	6,000	5,487	5,953	5,451
	<u>33,640</u>	<u>31,738</u>	<u>32,907</u>	<u>31,063</u>
<i>Less:</i>				
<b>Provision for Doubtful Debts—</b>				
Trade .. .. .	677	576	658	559
Hire Purchase .. .. .	90	84	90	84
	<u>767</u>	<u>660</u>	<u>748</u>	<u>643</u>
Unearned Interest .. .. .	986	881	980	876
Consumers Deposits .. .. .	2,709	2,489	2,674	2,457
Provision for Interest thereon .. .. .	165	173	165	172
	<u>29,013</u>	<u>27,535</u>	<u>28,340</u>	<u>26,915</u>
Other Debtors .. .. .	383	589	383	589
Prepayments .. .. .	570	417	566	412
	<u>29,966</u>	<u>28,541</u>	<u>29,289</u>	<u>27,916</u>
Hire purchase terms charges are absorbed into the Profit and Loss Account in equal instalments over the term of the contract.				
<b>9. Stocks and Stores .. .. .</b>				
Less: Depreciation .. .. .	15,373	13,702	14,413	12,966
	<u>1,052</u>	<u>933</u>	<u>1,051</u>	<u>933</u>
	<u>14,321</u>	<u>12,769</u>	<u>13,362</u>	<u>12,033</u>
<b>10. Bank Overdraft—</b>				
Bank Balances (Cash Book) .. .. .	7,062	6,906	7,042	6,886
Less: Unpresented Cheques .. .. .	3,563	3,422	3,542	3,385
	<u>3,499</u>	<u>3,484</u>	<u>3,500</u>	<u>3,501</u>
<b>11. Fixed Assets</b>				
<b>Freehold Land—</b>				
at independent valuation 1974 .. .. .	27,301	28,568	27,025	28,269
at cost .. .. .	1,353	1,248	1,353	1,248
	<u>28,654</u>	<u>29,816</u>	<u>28,378</u>	<u>29,517</u>
<b>Leasehold Land—</b>				
at independent valuation 1968 .. .. .	8	8	8	8
Less: Amortisation .. .. .	3	2	3	2
	<u>5</u>	<u>6</u>	<u>5</u>	<u>6</u>
<b>Buildings—</b>				
on freehold land—				
at independent valuation 1974 .. .. .	6,057	6,419	5,981	6,366
Less: Depreciation .. .. .	2,084	2,042	2,063	2,023
	<u>3,973</u>	<u>4,377</u>	<u>3,918</u>	<u>4,343</u>
at cost .. .. .	469	316	469	316
Less: Depreciation .. .. .	34	80	34	80
	<u>435</u>	<u>236</u>	<u>435</u>	<u>236</u>
on leasehold land at cost .. .. .	3,061	3,208	3,061	3,208
Less: Depreciation .. .. .	662	875	662	875
	<u>2,399</u>	<u>2,333</u>	<u>2,399</u>	<u>2,333</u>

	Consolidated 1976 \$'000	Consolidated 1975 \$'000	Corporation 1976 \$'000	Corporation 1975 \$'000
Machinery, Plant and Equipment— at independent valuation 1961 .. ..	5,363	5,373	5,363	5,373
Less: Depreciation .. ..	1,800	1,718	1,800	1,718
	<u>3,563</u>	<u>3,655</u>	<u>3,563</u>	<u>3,655</u>
at cost .. ..	243,334	218,903	241,594	217,410
Less: Depreciation .. ..	56,637	48,882	56,336	48,657
	<u>186,697</u>	<u>170,021</u>	<u>185,258</u>	<u>168,753</u>
Capital Work in Progress— at cost .. ..	26,436	6,867	26,436	6,867
Less: Depreciation .. ..	37	72	37	72
	<u>26,399</u>	<u>6,795</u>	<u>26,399</u>	<u>6,795</u>
Total Net Fixed Assets .. ..	<u>252,125</u>	<u>217,239</u>	<u>250,355</u>	<u>215,638</u>
12. Unamortised Debenture Issue Expenses—				
Balance 30th June, 1975/4 .. ..	452	443	452	443
Add: Expenses of Issue for the year .. ..	292	145	292	145
	<u>744</u>	<u>588</u>	<u>744</u>	<u>588</u>
Less: Amount written off .. ..	172	136	172	136
	<u>572</u>	<u>452</u>	<u>572</u>	<u>452</u>
13. Natural Gas Change-over Costs .. ..	67,801	67,065	66,910	66,750
Less: Amounts written off .. ..	21,022	15,522	21,021	15,522
	<u>46,779</u>	<u>51,543</u>	<u>45,889</u>	<u>51,228</u>
14. Pipeline Establishment Expenses .. ..	6,796	6,796	6,796	6,796
Less: Amounts written off .. ..	2,632	1,220	2,632	1,220
	<u>4,164</u>	<u>5,576</u>	<u>4,164</u>	<u>5,576</u>
15. Investments in Subsidiary Companies are—				
Waldorf Appliances Proprietary Limited .. (100 per cent.)				
The Albury Gas Company Limited .. (100 per cent.)				
Mt. Gambier Gas Company Limited .. (100 per cent.)				

Under the heading "Consolidated" are the accounts of the Gas and Fuel Corporation of Victoria and its subsidiary companies Waldorf Appliances Proprietary Limited and The Albury Gas Company Limited both incorporated in New South Wales and Mt. Gambier Gas Company Limited incorporated in South Australia.

16. Statement of Shareholders at 9th August, 1976—

(a) Number of holders 4 per cent. Cumulative Preference Shares

	<i>Number of Holders</i>						<i>Number of Shares Held</i>	
	453	..	..	..	..	..	..	1—1,000
	19	..	..	..	..	..	..	1,001—5,000
	..	..	..	..	..	..	..	5,001—10,000
	1	..	..	..	..	..	..	10,001 and over
Total	<u>473</u>							



## Number of holders 6 per cent. " B " Cumulative Preference Shares

<i>Number of Holders</i>		<i>Number of Shares Held</i>
1,460	.. .. .	1—1,000
276	.. .. .	1,001—5,000
24	.. .. .	5,001—10,000
20	.. .. .	10,001 and over
<b>Total</b>		
<u>1,780</u>		

## (b) Voting Rights—

- (i) 4 per cent. Cumulative Preference Shareholders have the same rights as the holder of ordinary shares to receive notices of general meetings, reports, balance sheets and accounts and to attend and vote at general meetings of the Corporation and to vote at a separate meeting convened for the purpose of passing a resolution to alter or modify the Memorandum of Association for the purpose of issuing additional preference shares.
- (ii) 6 per cent. " B " Cumulative Preference Shareholders have the same rights as the holder of ordinary shares to receive notices of general meetings, reports, balance sheets and accounts and to attend and vote at general meetings of the Corporation and to vote at a separate meeting of the holders of 6 per cent. " B " Cumulative Preference Shares convened for the purpose of passing a resolution to sanction a variation to the Articles of Association of the Corporation which affects the rights and privileges attached to the 6 per cent. " B " Cumulative Preference Shares.
- (iii) The only Ordinary Shareholder being the State of Victoria is entitled to receive notices of general meetings, reports, balance sheets and accounts and to attend and vote at general meetings of the Corporation.

- (c) Ninety-seven per cent. of 4 per cent. Cumulative Preference Shares and sixty per cent. of 6 per cent. " B " Cumulative Preference Shares are held by the twenty largest holders in each of the respective categories. Ninety-six per cent. of the 4 per cent. Cumulative Preference Shares are held by the State of Victoria.

- 17. The only Share and Loan Register of the Corporation is located at the registered office of the Corporation, 171 Flinders Street, Melbourne.
- 18. The closing date for the receipt of nominations for the office of director is twenty-one days before the general meeting.
- 19. As the Corporation is within the class of company with total assets in excess of ten million dollars, the accounts have been rounded off to the nearest one thousand dollars.
- 20. Contingent Liabilities (Unsecured).

These liabilities consisted of commitments under contract for capital expenditure and guarantees by the Corporation approximating \$15,988,000 (1975 \$6,041,000) and the Princes Gate long term lease.

Particulars of Corporation shares acquired by the State and advances for works made by the State are furnished hereunder. The net cost to the Consolidated Fund on account of the State's financial interest in the Corporation is also shown.

	To 30th June, 1975.	1975-76.	Total.
	\$	\$	\$
<b>Acquisition of Shares—</b>			
Subscription for 4,000,000 Ordinary Shares of \$2 ..	8,000,000	..	8,000,000
Purchase of Preference Shares .. .. .	7,568,894	40,000	7,608,894
	15,568,894	40,000	15,608,894
<b>Advances—</b>			
Advance for Capital Works .. .. .	12,000,000	..	12,000,000
Loan Flotation Expenses .. .. .	101,740	776	102,516
	12,101,740	776	12,102,516
<b>Preference Share Dividend Guarantee—</b>			
Advanced to the Corporation .. .. .	354,694	..	354,694
Less Repayments .. .. .	354,694	..	354,694
	..	..	..
<b>Total Investments and Advances by the State .. .. .</b>	<b>27,670,634</b>	<b>40,776</b>	<b>27,711,410</b>
<b>Cost to the State on account of the above—</b>			
Debt Charges.. .. .	23,258,203	1,308,086	24,566,289
<b>Less Recoups, &amp;c., from Corporation—</b>			
Debt Charges .. .. .	10,855,921	722,239	11,578,160
Dividends on Preference Shares .. .. .	6,060,871	302,682	6,363,553
	16,916,792	1,024,921	17,941,713
<b>Net Cost to the State .. .. .</b>	<b>6,341,411</b>	<b>283,165</b>	<b>6,624,576</b>

The above statement does not take into account the sum of \$3,820,000, already referred to, which was paid into the Consolidated Fund in 1975-76 in accordance with the provisions of the *Public Authorities (Contributions) Act 1966* or the total amount that has been transferred to the Consolidated Fund in accordance with these provisions to 30th June, 1976, namely, \$17,675,000.

No dividend has been paid on the ordinary shares. Any such dividend can be declared only from profits remaining after preference shareholders have been paid dividends in full.

The transfer of 4 per cent. preference shares by sale is restricted to sale at par to the State. At 30th June, 1976, the State was the registered owner of 3,796,110 shares. The transfer of a further 230 shares was in course and \$16,214 was held by the Corporation for future purchases.

### GEELONG HARBOR TRUST.

The operations of the Trust for the year ended 31st December, 1975, resulted in a deficit of \$891,696, compared with a deficit of \$287,014 for the previous year. A loss of revenue, resulting mainly from a series of industrial strikes by maritime unions, and an increase in operating expenditure, were the major reasons for the substantial further decline in the financial result.

Comparative figures for the past two years in the Trust's Revenue Account are shown in the statement hereunder :—

	<i>Revenue.</i>	1974.	1975.
		\$	\$
<b>Operating Revenue—</b>			
Harbor Revenue .. .. .		2,175,072	2,168,925
Shipping Services .. .. .		1,511,832	1,233,403
Other .. .. .		316,288	336,672
<b>Non-operating Revenue—</b>			
Interest .. .. .		17,187	25,241
Sale of Scrap Materials .. .. .		234	354
		<hr/>	<hr/>
Total Revenue .. .. .		4,020,613	3,764,595
		<hr/>	<hr/>
 <i>Expenditure.</i> 			
<b>Operating Expenses—</b>			
Administration, &c. .. .. .		938,126	1,071,662
Shipping Services .. .. .		1,382,822	1,541,517
Maintenance .. .. .		477,600	565,906
Depreciation and Amortization .. .. .		912,593	905,242
<b>Non-operating Expenses—</b>			
Superannuation .. .. .		310,580	336,042
Interest .. .. .		210,227	155,558
Miscellaneous .. .. .		75,679	80,364
		<hr/>	<hr/>
Total Expenditure .. .. .		4,307,627	4,656,291
		<hr/>	<hr/>
Deficit .. .. .		287,014	891,696
		<hr/>	<hr/>

<i>Net Revenue Statement.</i>			
	\$	\$	\$
Balance 1st January .. .. .		12,285,629	11,956,408
Less Deficit for year (as above) .. .. .		287,014	891,696
		<hr/>	<hr/>
		11,998,615	11,064,712
Less Provision for Long Service Leave .. .. .	10,773		32,443
Allocation to Sinking Fund .. .. .	31,434		29,132
	<hr/>	42,207	<hr/>
		11,956,408	11,003,137
		<hr/>	<hr/>
Balance, 31st December .. .. .		11,956,408	11,003,137
		<hr/>	<hr/>

The following statement summarizes the Trust's financial position as at 31st December, 1974 and 1975 :—

31.12.74.		31.12.75.
\$		\$
	Source of Funds—	
	External—	
3,143,403	Loan Liability .. .. .	2,610,640
	Internal—	
5,559,903	Endowments .. .. .	5,559,903
11,956,408	Net Revenue Account—Accumulated Surplus .. .. .	11,003,137
3,749,830	General Reserve .. .. .	4,577,716
6,241,174	Specific Reserves and Funds .. .. .	6,376,298
5,949,780	Less Investments .. .. .	6,024,364
291,394		351,934
21,557,535		21,492,690
24,700,938		24,103,330
	Represented by—	
	Current Assets—	
2,100	Cash .. .. .	7,253
423,718	Sundry Debtors and Prepayments .. .. .	474,820
48,840	Stores (at cost) .. .. .	55,489
474,658		537,562
	Less—Current Liabilities—	
105,866	Bank Overdraft .. .. .	232,629
193,954	Sundry Creditors and Accruals .. .. .	232,629
299,820		232,629
174,838		304,933
	Deferred Assets—	
141,133	Various Advances, &c. .. .. .	174,070
	Fixed Assets (at Cost less Depreciation)—	
245,215	Land (Purchased and Vested) .. .. .	223,491
1,749,184	Buildings and Improvements .. .. .	1,696,100
20,587,449	Harbor Works .. .. .	19,983,383
1,511,932	Floating Plant .. .. .	1,386,363
272,613	Other Plant and Vehicles .. .. .	308,114
18,574	Furniture and Fittings .. .. .	26,876
24,384,967		23,624,327
24,700,938		24,103,330

*Specific Reserves and Funds.*—Transactions within the respective Reserves and Funds during 1975 are given hereunder :—

	Port Development Fund.	Sinking Fund.	Insurance Reserve Fund.	Provision for Long Service Leave.
	\$	\$	\$	\$
Balance forward 1st January, 1975 .. .. .	3,910,622	117,260	1,921,898	291,394
Allocation from Revenue .. .. .	..	29,132	..	110,742
Interest on Investments .. .. .	266,852	5,068	152,960	..
Profit from realization of inscribed stock .. .. .	2,759	147	4,120	..
	4,180,233	151,607	2,078,978	402,136
Less—				
Expenditure for year .. .. .	295,600	34,000	56,854	50,202
Balance 31st December, 1975 .. .. .	3,884,633	117,607	2,022,124	351,934
	6,376,298			

## GRAIN ELEVATORS BOARD.

The Grain Elevators Board is constituted under the provisions of the *Grain Elevators Act* 1958 and, by agreement, operates as the bulk handling agent, in Victoria, for the Australian Wheat Board and the Australian Barley Board. These latter Boards recoup the Grain Elevators Board for the use of its facilities by meeting a charge which allows for operating costs, interest and loan expenses, depreciation and the hire of grain-handling facilities.

Wheat receivals for the 1974-75 season totalled 2,143,688 tonnes while 277,100 tonnes of barley were handled. The comparable totals for the 1973-74 season were 1,515,382 tonnes and 233,125 tonnes respectively.

The Board's accounting period ends on 31st October in each year. The statement of revenue and expenditure given below shows a net surplus of \$10,834 for the 1974-75 accounting period compared with a surplus of \$20,699 in respect of the previous period.

		<i>Revenue.</i>				1974-75	
1973-74						\$	\$
\$							
	Australian Wheat Board—						
5,168,718	Wheat Handling Charges .. .. .					5,806,075	
	Australian Barley Board—						
1,076,426	Barley Handling Charges .. .. .					1,617,167	
<u>6,245,144</u>	Total Revenue—Grain Handling .. .. .						7,423,242
		<i>Expenditure.</i>					
2,872,662	Operating and Maintenance .. .. .					3,704,924	
798,571	Administration Expenses .. .. .					973,633	
569,643	*Depreciation .. .. .					628,350	
1,693,066	Interest on Loans .. .. .					1,795,693	
290,503	Sinking Fund Charges .. .. .					309,808	
<u>6,224,445</u>							<u>7,412,408</u>
20,699	Net Surplus .. .. .						10,834
		<i>Add—</i>					
461,303	Net Accumulation brought forward .. .. .						461,304
1,143,218	Interest on Investments .. .. .						1,249,476
5,637	Reserve Fund Interest Equity relating to Assets written off .. .. .						38,708
..	Profit on Sale of Asset .. .. .						476
<u>1,630,857</u>							<u>1,760,798</u>
		<i>Less Appropriations—</i>					
663,761	*Depreciation Reserve Fund .. .. .					716,046	
90,120	*General Reserve Fund .. .. .					99,535	
35,538	*Insurance Reserve Fund .. .. .					38,961	
93,877	*Renewals Reserve Fund .. .. .					96,863	
5,637	Debentures and Inscribed Stock Sinking Fund .. .. .					38,708	
280,620	*Transfer to Renewals Reserve Fund .. .. .					109,381	
..	*Transfer to General Reserve Fund .. .. .					200,000	
<u>1,169,553</u>							<u>1,299,494</u>
<u>461,304</u>	Net Accumulation at 31st October .. .. .						<u>461,304</u>

\*Approved by the Honorable the Treasurer.

The following is an abridged statement of the Board's balance-sheet :—

31.10.74.		31.10.75.
\$		\$      \$      \$
	<b>Current Assets—</b>	
1,359,737	Sundry Debtors and Advances .. .. .	1,444,974
85,703	Cash .. .. .	14,591
<u>1,445,440</u>		<u>1,459,565</u>
18,679,296	Investments .. .. .	21,712,804
	<b>Fixed Assets—at Cost—</b>	
	<b>Construction—</b>	
19,209,481	Country Elevators .. .. .	19,676,561
3,639,120	Geelong Terminal .. .. .	4,043,955
1,724,687	Sunshine Sub-Terminal .. .. .	1,770,599
		<u>25,491,115</u>
	<b>Equipment and Plant—</b>	
5,265,059	Country Elevators .. .. .	5,427,774
1,813,457	Geelong Terminal .. .. .	1,834,002
237,576	Sunshine Sub-Terminal .. .. .	251,888
		<u>7,513,664</u>
4,840	Marmalake No. 1 Emergency Storage .. .. .	4,840
382,969	Motor Vehicles, Office Furniture and Equipment .. .. .	502,992
613,205	Freehold Land and Buildings—City .. .. .	613,205
		<u>1,121,037</u>
		34,125,816
	<b>Storage Construction—</b>	
1,012,213	Storages Under Construction .. .. .	1,027,716
	*Country Emergency Storages .. .. .	7,693,110
	Geelong Storages .. .. .	1,910,390
		<u>9,603,500</u>
6,193	National Debt Sinking Fund—Cash in Fund .. .. .	2,819
<u>54,033,536</u>		<u>67,932,220</u>
	<b>* Ownership is in course of passing to Grain Elevators Board.</b>	
	<b>Current Liabilities—</b>	
546,489	Sundry Creditors .. .. .	781,386
	<b>Loans—</b>	
1,490,299	Government of Victoria .. .. .	1,446,462
25,241,629	Public .. .. .	26,892,944
		<u>28,339,406</u>
	<b>Reserves and Funds—</b>	
	<b>Cancelled Securities Reserves—</b>	
673,059	National Debt Sinking Fund .. .. .	713,785
1,455,971	Debentures and Inscribed Stock .. .. .	1,694,656
1,842,293	Matured Public Loans .. .. .	1,863,492
12,309,290	Depreciation Reserve Fund .. .. .	13,520,733
4,840	Marmalake No. 1 Emergency Storage Reserve .. .. .	4,840
629,000	Office Building Reserve .. .. .	629,000
650,894	Insurance Reserve Fund .. .. .	723,926
2,806,435	General Reserve Fund .. .. .	3,105,970
1,354,413	Debentures and Inscribed Stock Sinking Fund .. .. .	1,511,142
1,936,509	Renewals Reserve Fund .. .. .	2,108,504
303,996	Provision for Long Service Leave and Retiring Gratuities .. .. .	359,525
1,046,909	Superannuation Fund .. .. .	1,190,576
..	Grain Storages (Recouped Costs) Reserve .. .. .	9,603,500
		<u>37,029,649</u>
1,280,206	Reserve Fund Contribution for Renewal of Assets .. .. .	1,320,475
461,304	Revenue Account—Net Accumulation .. .. .	461,304
<u>54,033,536</u>		<u>67,932,220</u>

## GREYHOUND RACING CONTROL BOARD.

The Board is constituted under the provisions of Section 69 (1) of the *Racing Act* 1958. Its functions are to control the sport of greyhound racing and to exercise such powers and duties as are conferred on it by or under the *Racing Act* or any other Act.

Its principal sources of income are an administration grant from the Totalizator Agency Board made in accordance with that Board's financial scheme under Section 116i of the Act, registration fees and a statutory contribution of three per cent. of the gross revenue of registered Greyhound Racing Clubs.

Following is a statement of income and expenditure for the years ended 31st December, 1974 and 1975 :—

1974. \$	<i>Income.</i>	1975. \$
41,700	Registrations .. .. .	45,672
185,144	Totalizator Agency Board—Grant .. .. .	174,401
31,305	Statutory Contributions by Clubs .. .. .	39,413
19,551	Other Income .. .. .	18,968
277,700	Total Income .. .. .	278,454
<i>Expenditure.</i>		
11,069	Board Members—Salaries and Expenses .. .. .	9,681
75,203	Supervision Fees—Stewards .. .. .	85,256
50,755	Salaries .. .. .	65,594
19,665	Publication of Journal .. .. .	22,239
22,443	Office Expenses .. .. .	32,111
20,572	National Coursing Association of Victoria .. .. .	24,914
12,872	Miscellaneous .. .. .	21,304
212,579	Total Expenditure .. .. .	261,099
65,121	Surplus .. .. .	17,355
<i>Add—</i>		
114,340	Net Accumulation brought forward .. .. .	138,317
179,461		155,672
<i>Less Appropriations—</i>		
37,980	Cranbourne Greyhound Racing Club .. .. .	..
3,164	Wimmera Greyhound Racing Club .. .. .	10,000
41,144		..
138,317	Net Accumulation at 31st December .. .. .	145,672

The Accumulation of the Greyhound Racing Control Board Fund as at 31st December, 1975, was represented by :—

Investments .. .. .	130,000
Fixed Assets .. .. .	12,188
	142,188
<i>Add—</i> Excess of Current Assets over Current Liabilities .. .. .	3,484
	145,672

## HOME FINANCE TRUST.

The *Home Finance Act 1962* empowers the Home Finance Trust to raise money from lending institutions by way of deposit or bank overdraft for the purpose of making housing loans on the security of first or second mortgage. In terms of the Act, the Treasurer may, with the approval of the Governor in Council, execute guarantees in favour of the Commissioners of the State Savings Bank of Victoria or any person or body agreeing to deposit money with the Trust or in favour of any bank providing accommodation by way of overdraft.

The amount so agreed to be deposited or lent at 30th June, 1976, was \$29,844,200 compared with \$29,344,200 at 30th June, 1975. Of the amount of \$29,844,200, a sum of \$1,611,200 has been deposited or lent for the purpose of loans by the Trust on the security of second mortgage. Details are :—

	\$	\$
The Commissioners of the State Savings Bank of Victoria .. .. .	.. .. .	10,733,000
Other Savings Banks .. .. .	16,221,200	
Trading Banks .. .. .	1,150,000	
	<hr/>	17,371,200
Insurance Companies .. .. .	.. .. .	1,390,000
Other .. .. .	.. .. .	350,000
		<hr/>
		29,844,200
		<hr/>

The liability of the Trust on account of deposits and overdrafts, as shown in the summary of assets and liabilities hereunder, is reconciled below with the total of agreed loans :—

	\$
Agreed Loans as above .. .. .	29,844,200
Less—Amount repaid to lending institutions .. .. .	7,165,008
	<hr/>
Total liability of Trust to lending institutions .. .. .	22,679,192
	<hr/>

Loans approved by the Trust to borrowers amounted to \$45,382,970, of which sum \$4,825,590 related to second mortgages. Discharged mortgages, including mortgages on repossessed properties sold under contracts of sale, amounted to \$18,974,629. Advances secured by first mortgage at 30th June, 1976, amounted to \$19,457,846 (net) and, by second mortgage, to \$872,642 (net).

The net surplus for the year on account of transactions relating to first mortgages (Home Finance Fund No. 1) was \$289,888. The deficit on account of second mortgages (Home Finance Fund No. 2) was \$8,503.

A summary of the income and expenditure of the Trust for 1974-75 and 1975-76 is furnished below. The figures for 1975-76 are subject to final audit.

1974-75.		1975-76.	
\$	<i>Income.</i>	\$	\$
1,683,461	Interest Receivable from Mortgagors and on Sales, &c. ..	1,764,655	
1,417,832	Less Interest Payable to Depositors (including Overdraft Interest) ..	1,418,126	
		<hr/>	
265,629			346,529
13,837	Insurance Commission .. .. .	.. .. .	12,802
596	Other .. .. .	.. .. .	850
			<hr/>
280,062			360,181
			<hr/>
	<i>Expenditure.*</i>		
10,000	Fees—Members of Trust .. .. .	.. .. .	9,893
917	Printing and Stationery .. .. .	.. .. .	1,323
2,077	Postage and Telephone .. .. .	.. .. .	4,120
55,000	Contribution to Treasury .. .. .	.. .. .	63,000
1,906	Sundry .. .. .	.. .. .	460
			<hr/>
69,900			78,796
			<hr/>
210,162	Operating Surplus .. .. .	.. .. .	281,385
			<hr/>

\* Salaries are not charged in the accounts of the Trust.



Set out hereunder are particulars of the Trust's assets and liabilities as at 30th June, 1975, and 1976.

30.6.75.		<i>Assets.</i>		30.6.76.
\$				\$      \$
24,960,569	Current ordinary loans secured by first mortgage	.. ..	.. ..	24,073,637
4,370,143	Less repayments by mortgagors	.. ..	.. ..	4,615,791
				<hr/> 19,457,846
1,401,930	Current ordinary loans secured by second mortgage	.. ..	.. ..	1,403,047
634,078	Less repayments by mortgagors	.. ..	.. ..	530,405
				<hr/> 872,642
118,620	Repossessed properties sold under contracts of sale	.. ..	.. ..	105,620
51,189	Less payments of instalments of principal	.. ..	.. ..	40,877
				<hr/> 64,743
82,923	Arrears—(net) under mortgages and contracts of sale	.. ..	.. ..	16,763
47,982	Sundry Debtors	.. ..	.. ..	76,626
79	Office Equipment	.. ..	.. ..	419
8,714	Cash at Bank	.. ..	.. ..	..
2,510,000	Cash on Fixed Deposit	.. ..	.. ..	3,310,000
40	Cash on Hand	.. ..	.. ..	40
..	Investment	.. ..	.. ..	100,000
				<hr/> 23,899,079
24,075,447				<hr/> 23,899,079

*Liabilities.*

23,122,431	Deposits by lending institutions and accommodation by way of overdraft—repayment guaranteed by Treasurer of Victoria	.. ..	.. ..	22,679,192
16,362	Prepayments by mortgagors of valuation and inspection fees	.. ..	.. ..	12,776
9,383	Mortgagors' equities in properties repossessed and sold	.. ..	.. ..	9,383
11,935	Sundry Creditors	.. ..	.. ..	1,007
915,336	Accumulated Surplus—Home Finance Funds Nos. 1 and 2	.. ..	.. ..	1,196,721
				<hr/> 23,899,079
24,075,447				<hr/> 23,899,079

### HOSPITALS SUPERANNUATION BOARD.

This Board was constituted under the provisions of the *Hospitals Superannuation Act 1965*. It is responsible for the administration of the Hospitals Superannuation Fund established under that Act for the purpose of providing, on a contributory basis, a scheme of superannuation for employees of participating hospitals and other institutions.

In addition to allowing for future admissions to the scheme, the Act provided for the transfer of the various institutions participating in the Institutional Staff Superannuation Fund—formerly administered by the Victorian Hospitals' Association—to the scheme administered by the Board. The assets of the former scheme were transferred to the Hospitals Superannuation Fund on 1st July, 1966, the day fixed as the "Fund Opening Day".

The Board is further empowered, subject to the consent of the Governor in Council, to assume responsibility for the administration of superannuation schemes in force at institutions which are admitted as participating institutions in terms of Part III. of the Act.

The annual audit of the Fund is conducted by my officers pursuant to the provisions of the Act. A continuous audit is carried out by a firm of chartered accountants appointed for that purpose by the Board. The audits are, by arrangement, complementary in character.

Summaries of the transactions of the Management Account within the Fund during 1974-75 and 1975-76 and of the Balance Sheets of the Fund as at 30th June, 1975, and 30th June, 1976, are given below:—

#### MANAGEMENT ACCOUNT.

##### ADMINISTRATION.

1974-75. \$		1975-76. \$
	<i>Income—</i>	
307,785	Management Proportion of Contributions .. .. .	396,732
11,215	Commission .. .. .	13,365
17,108	Distribution of Earnings .. .. .	23,538
<hr/>		<hr/>
336,108		433,635
	<i>Expenditure—</i>	
179,416	Salaries and Wages .. .. .	241,468
8,000	Provision for Long Service Leave .. .. .	5,500
6,184	Staff Superannuation .. .. .	8,227
68,295	Fees—Actuarial, audit, medical, &c. .. .. .	104,524
41,842	Office and Miscellaneous Expenses .. .. .	65,841
5,076	Depreciation .. .. .	6,614
27,295	Transfer to Accumulated Fund .. .. .	1,461
<hr/>		<hr/>
336,108		433,635

##### ACCUMULATED FUND.

168,342	Balance, 1st July .. .. .	187,618
27,295	Transfer from Administration .. .. .	1,461
<hr/>		<hr/>
195,637		189,079
	<i>Less—</i>	
8,019	Purchase of Office Furniture, &c. .. .. .	5,619
<hr/>		<hr/>
187,618	Balance, 30th June .. .. .	183,460

##### MANAGEMENT RESERVE ACCOUNT.

9,383	Balance, 1st July .. .. .	12,227
2,844	Transfer from Welfare Account .. .. .	9,751
<hr/>		<hr/>
12,227	Balance, 30th June .. .. .	21,978

## BALANCE SHEET.

*Assets.*

30. 6. 75. \$		30. 6. 76. \$	\$
	<b>Investments—</b>		
20,539,514	Life Offices .. .. .	24,424,652	
1,803,006	Government and semi-Government Stock (Face Value \$4,335,600) .. .. .	4,323,409	
7,924,454	Mortgages and Members' Loans .. .. .	10,169,832	
850,000	Deposits—Short Term Money Market .. .. .	2,000,000	
<u>31,116,974</u>		<u>40,917,893</u>	
	<b>Other Assets—</b>		
177,048	Cash at Bank and on Hand .. .. .	15,100	
95,782	Accruals and Outstandings .. .. .	192,082	
98,682	Terminal Benefit Subsidies—Class "A" Institutions .. .. .	93,396	
22,645	Office Furniture, Equipment, Fittings and Motor Vehicles (less Depreciation) .. .. .	28,396	
<u>394,157</u>		<u>328,974</u>	
<u>31,511,131</u>		<u>41,246,867</u>	
	<i>Accounts and Liabilities.</i>		
	<b>Members' Accounts—</b>		
24,907,875	Approved Scheme .. .. .	32,357,744	
2,106,540	Provident .. .. .	2,283,688	
1,546,701	Supplementary Contributions .. .. .	2,122,414	
351,103	Non-contributing .. .. .	486,648	
<u>28,912,219</u>		<u>37,250,494</u>	
	<b>Beneficiaries' Accounts—</b>		
277,247	Deferred Benefits .. .. .	350,603	
112,134	Disability Benefits .. .. .	124,593	
<u>389,381</u>		<u>475,196</u>	
	<b>Reserves—</b>		
200,000	Welfare .. .. .	200,000	
207,244	Income Stabilization .. .. .	693,929	
<u>407,244</u>		<u>893,929</u>	
	<b>Other Accounts and Liabilities—</b>		
41,901	Annuities .. .. .	38,948	
336,405	Insurance Account .. .. .	310,688	
625,416	Terminal Benefits—Class "B" Institutions .. .. .	860,281	
7,124	Mortgage Indemnity Fund .. .. .	7,907	
469,051	Sundry Benefits, etc. Outstanding .. .. .	856,572	
12,021	Part IVA Schemes .. .. .	36,202	
..	Bank Overdraft .. .. .	185,518	
<u>1,491,918</u>		<u>2,296,116</u>	
	<b>Management—</b>		
33,439	Sundry Creditors and Accrued Expenses .. .. .	37,490	
25,500	Provision for Long Service Leave .. .. .	31,000	
51,585	Capital .. .. .	57,204	
12,227	Reserve .. .. .	21,978	
187,618	Accumulated Fund .. .. .	183,460	
<u>310,369</u>		<u>331,132</u>	
<u>31,511,131</u>		<u>41,246,867</u>	

### HOUSING COMMISSION.

The Commission is responsible for the improvement of existing housing conditions and the provision of suitable houses for letting or selling to eligible persons.

For these purposes, the State has made loan allocations to the Commission and the Commission, itself, has raised loan moneys by the issue of debentures. However, the major funds which have been allocated to the Commission for housing projects have been those which, between 1945-46 and 1975-76, were advanced by the Commonwealth in terms of a series of Commonwealth-State Housing Agreements. Also, many municipalities have, in various forms, assisted the Commission with cash contributions, rate refunds and gifts of land for housing projects of a special nature.

During 1975-76, loan advances totalling \$85,854,263 were received from the Commonwealth consisting of \$68,711,000 for housing generally under the 1973-74 Housing Agreement and the Commonwealth's *States Grants (Housing Assistance) Act 1976*, \$6,082,295 for defence housing under the terms of the Commonwealth-State Housing Agreement (Servicemen) 1972, and \$11,060,968, for urban expansion and redevelopment pursuant to the *Urban and Regional Development (Financial Assistance) Act 1974-1975*.

In addition, the Commonwealth provided grants of \$781,037 as an interest subsidy, \$331,250 for assistance towards the granting of rental rebates, \$2,827,472 for dwellings for aged pensioners and \$373,456 for aboriginal housing under the *Aboriginal Advancement Act 1973*.

A summary of the Commission's revenue and expenditure for 1974-75 and 1975-76 is furnished below :—

REVENUE.		1975-76
1974-75		\$
\$		\$
30,349,718	Rentals .. .. .	39,927,041
10,138,857	Gross Surplus—House Sales .. .. .	10,528,822
366,403	Gross Profit—Land Sales for Residential Purposes .. .. .	1,349,913
2,300,291	Interest—House Sales (net) .. .. .	2,792,304
2,906,139	Sundry .. .. .	2,004,709
587,230	Miscellaneous .. .. .	866,503
46,648,638		57,469,292
EXPENDITURE.		
12,742,035	Interest— <i>less</i> amounts capitalized and applied to House Sales .. .. .	13,875,285
2,602,582	Loan Redemption—Commonwealth-State Agreements .. .. .	2,753,149
15,344,617		16,628,434
396,905	<i>Less</i> Interest and Redemption Included in Operating Costs of Parking Bays and Hot Water Services .. .. .	417,943
14,947,712		16,210,491
28,626	Contribution to National Debt Sinking Fund .. .. .	22,118
7,000	" " Debenture Loan Sinking Fund .. .. .	7,000
2,490,693	Administration—General .. .. .	3,238,263
1,587,639	House Sales .. .. .	1,823,334
60,713	Land Sales—Residential .. .. .	58,912
252,386	Cost of Rent Collection in Country Areas, &c. .. .. .	372,013
5,815,355	Rates— <i>less</i> amount capitalized .. .. .	6,971,492
95,744	Insurable Risks .. .. .	190,424
3,835	Loan Conversion Expenses .. .. .	2,178
5,964,468	Provision for Accruing Maintenance .. .. .	9,719,636
56,071	" " Irrecoverable Rents .. .. .	66,706
2,438,735	Cost of Communal Services—Flats and Garden Maintenance .. .. .	2,799,513
72,874	Operating Costs—Laundries .. .. .	85,875
253,015	Parking Bays .. .. .	301,931
461,368	Appropriation to House Purchasers' Death Benefit Fund .. .. .	467,916
6,801,969	Transfer to House Sales Unrealized Profit Suspense Account .. .. .	6,481,040
112,971	Transfer to Land (Residential) Unrealized Profit Suspense Account .. .. .	867,913
436,691	Maintenance and Repairs on Houses Sold .. .. .	500,241
34,364	Maintenance (Rental) Bad Debts written off .. .. .	48,606
1,426,932	Central Heating and Hot Water Services .. .. .	1,370,721
13,732	Transfer—Aboriginal Housing Fund .. .. .	40,276
..	Emerald Hill Survey .. .. .	33,782
86,647	Miscellaneous .. .. .	115,446
43,449,540		51,795,827
3,199,098	Operational Profit for the year .. .. .	5,673,465
499,601	<i>Less</i> appropriation to House Purchasers' Interest Receivable Reserve .. .. .	775,419
2,699,497	Profit—Transferred to Accumulated Surplus Account .. .. .	4,898,046

A more concise statement of the General Revenue Account for the past two years is given below :—

1974-75		1975-76	
\$		\$	
2,356,438*	Surplus—Miscellaneous Funds .. .. .		2,119,258*
210,887	Net Profit—Residential Land Sales .. .. .		460,660
2,816,298	Realized Profit—House Sales .. .. .		3,417,661
<u>5,383,623</u>			<u>5,997,579</u>
<i>Less—</i>			
2,531,875	Loss—Rental operations .. .. .	936,911	
152,251	Cost of Statutory Functions—non-revenue producing .. .. .	162,622	1,099,533
<u>2,699,497</u>	Balance—Profit—General Revenue Account as at close of year .. .. .		<u>4,898,046</u>

\* Includes notional interest on interest-free loans—1974-75 \$181,630, 1975-76 \$212,212.

*Rental Charges.*—The gross rental charges for the past two years are compared hereunder and reconciled with the figures given in the preceding summary of revenue and expenditure :—

	1974-75		1975-76	
	\$	\$	\$	\$
Gross rental charges .. .. .		32,711,794		43,332,133
<i>Deduct—</i>				
Rental rebates allowed .. .. .	2,339,941		3,172,150	
Losses from vacancies .. .. .	353,385		564,192	
	<u>2,693,326</u>		<u>3,736,342</u>	
		30,018,468		39,595,791
<i>Add—</i>				
Commonwealth Assistance to offset rebates allowed .. .. .		331,250		331,250
Credit for Rentals—General Revenue Account		<u>30,349,718</u>		<u>39,927,041</u>

The increase of \$10,620,339 in gross rental charges was mainly due to additional units becoming available for tenancy, and a general rent increase from 4th January, 1976.

*Sales of Houses.*—For the year, 2,917 units were sold for a total sum of \$62,418,174. Details are :—

	No.	Cost.	Selling Price.	Surplus.
		\$	\$	\$
<i>Cash Sales—</i>				
State .. .. .	4	49,539	81,430	31,891
Commonwealth—State Housing Agreement 1945 .. .. .	24	151,313	300,536	149,223
Commonwealth—State Housing Agreement 1973 .. .. .	2	32,548	34,000	1,452
<i>Sales per War Service Homes Commission—</i>				
Commonwealth—State Housing Agreement 1945 .. .. .	81	489,588	1,050,947	561,359
Commonwealth—State Housing Agreement 1945— Repossession .. .. .	1	5,942	9,600	3,658
Commonwealth—State Housing Agreement 1956 .. .. .	7	53,312	94,173	40,861
<i>Terms Sales—</i>				
State .. .. .	99	2,240,775	2,397,082	156,307
Commonwealth—State Housing Agreement 1945 .. .. .	607	4,218,689	9,120,408	4,901,719
Commonwealth—State Housing Agreement 1956 .. .. .	249	2,208,698	3,826,425	1,617,727
Commonwealth—State Housing Agreement 1973 .. .. .	1,649	39,935,694	42,368,017	2,432,323
Works and Services Account .. .. .	161	2,182,638	2,641,357	458,719
Aboriginal Housing .. .. .	3	44,850	38,517	(Loss)6,333
<i>Repossessions Resold—</i>				
State .. .. .	4	28,045	51,100	23,055
Commonwealth—State Housing Agreement 1945 .. .. .	8	49,548	94,550	45,002
Commonwealth—State Housing Agreement 1956 .. .. .	13	111,784	192,932	81,148
Commonwealth—State Housing Agreement 1973 .. .. .	2	47,737	50,450	2,713
Works and Services Account .. .. .	3	38,652	66,650	27,998
	<u>2,917</u>	<u>51,889,352</u>	<u>62,418,174</u>	<u>10,528,822</u>

The figures in the General Revenue Account relating to house sales are brought together below to show the net credit to revenue from this source :—

	\$	\$
Gross Surplus on Sales .. .. .	10,528,822	
Less Transfer to House Sales Unrealized Profit Suspense Account	6,481,040	
	<hr/>	4,047,782
Interest receivable on Terms Sales .. .. .	13,813,337	
Less Interest payable on houses sold .. .. .	11,393,760	
	<hr/>	
Interest on House Sales (net) .. .. .	2,419,577	
Less Appropriation to House Purchasers' Death Benefit Fund..	467,916	
	<hr/>	1,951,661
Other House Sales revenue .. .. .		527,677
		<hr/>
		6,527,120
Less Administration—House Sales .. .. .	1,823,334	
Maintenance and repairs on houses sold .. .. .	500,241	
Miscellaneous .. .. .	10,465	
	<hr/>	2,334,040
		<hr/>
		4,193,080
Less Appropriation to Interest Receivable Reserve—House Purchasers .. .. .		775,419
		<hr/>
Net Credit to General Revenue—Realized Profit on House Sales		3,417,661

*Residential Land Sales.*—Profits from sales of residential land are credited to revenue, whereas profits on sales of land for purposes other than residential are treated as capital profits and credited to a Land Realized Profit Reserve Account.

Realized profit on sales of land for residential purposes for the year amounted to \$460,660 compared with \$210,887 for 1974–75.

The financial position of the Commission as at 30th June, 1975 and 1976, is summarized hereunder :—

30.6.75.		30.6.76
\$		\$ S
	<i>Current Assets—</i>	
7,294,546	Sundry Debtors .. .. .	7,311,368
1,175,265	Cash at Bank and in Transit .. .. .	1,515,934
8,469,811		8,827,302
16,524,012	<i>Investments</i> .. .. .	34,365,863
	<i>Deferred Assets—</i>	
241,349,743	House Purchase Debtors .. .. .	283,664,152
	<i>Fixed Assets—</i>	
93,278,729	Estates—Cost of land, developmental and incidental expenses .. .. .	121,028,267
364,452,514	Dwellings and Shops .. .. .	386,321,757
753,634	Holmesglen Housing Factory—Land and Buildings .. .. .	764,269
90,564	Urban Renewal—Properties Acquired .. .. .	..
23,872,269	Properties Acquired for Slum Reclamation .. .. .	25,127,505
908,105	Store-rooms, Offices, &c. .. .. .	1,039,397
1,020,888	Plant, Vehicles, Office Furniture and Equipment .. .. .	1,115,924
323,113	Concrete House Project .. .. .	21,432
400	Shares—31 Melrose Street Pty. Ltd. .. .. .	400
484,700,216		535,418,951
2,414,910	<i>Deposit and Trust Account—Cash at Bank and Securities</i> .. .. .	2,128,104
	<i>Intangibles—</i>	
813,354	Plans and Designs, &c. .. .. .	1,022,001
754,272,046	Total .. .. .	865,426,373
	<i>Current Liabilities—</i>	
3,038,258	Sundry Creditors .. .. .	5,890,462
	<i>Loans—</i>	
598,072,486	Government advances .. .. .	684,645,320
400,000	Debenture issues .. .. .	400,000
4,853,132	Death Benefit Fund advances .. .. .	5,946,269
603,325,618		690,991,589
	<i>Advances and Subsidies—</i>	
2,465,562	Subsidy from Loan for Slum Reclamation .. .. .	2,465,562
1,725,650	Subsidy from Municipalities .. .. .	1,725,650
84,316	Gift of Flats—City of Prahran .. .. .	84,316
7,843,070	Commonwealth Grant—Dwellings for Aged Pensioners .. .. .	10,670,492
222,520	Advance for Urban Renewal .. .. .	287,458
4,604,417	Advance for Aboriginal Housing .. .. .	4,728,871
16,945,535		19,962,349
	<i>Reserves and Sinking Funds, &amp;c.—</i>	
614,779	Interest Equalization Reserve .. .. .	807,731
100,000	Debenture Loans Redemption .. .. .	100,000
1,234,164	Cancelled Securities—National Debt Sinking Fund .. .. .	1,403,332
181,881	Debenture Loan Sinking Fund .. .. .	207,276
29,840,445	Loan Redemption—Commonwealth—State Agreements .. .. .	31,096,116
129,531	Accruing Maintenance Provision .. .. .	187,975
100,000	Irrecoverable Rents Provision .. .. .	100,000
39,147,550	Unrealized Profit Suspense Account—House Sales .. .. .	45,593,039
1,063,787	Unrealized Profit Suspense Accounts—Land and Shops .. .. .	1,632,833
12,370,855	House Purchasers' Death Benefit Fund .. .. .	13,551,184
7,682,478	Realized Profit Reserves .. .. .	8,118,120
16,855,601	Interest Receivable Reserve—House Purchasers .. .. .	18,901,364
2,700,000	Appropriation of House Sales Profits for Slum Reclamation Works .. .. .	2,700,000
5,000	Provision for Loan Flotation Expenses .. .. .	5,000
112,026,071		124,403,970
16,521,653	<i>Accumulated Surplus</i> .. .. .	22,049,899
	<i>Deposit and Trust Account—</i>	
2,414,911	Contractors' deposits and other trust moneys .. .. .	2,128,104
754,272,046	Total .. .. .	865,426,373

The comments which follow are furnished in explanation of certain items in the preceding financial summary.

*Sundry Debtors*, \$7,311,368. Details are:—

	\$
Rental Arrears .. .. .	820,486
Tenants' Maintenance Arrears .. .. .	219,363
Works and Materials, &c., for other bodies and adjoining owners, &c. ..	1,138,414
Debtors on account of Shop and Land Sales (net) .. .. .	4,813,679
Revenue Accruals, Prepayments and Advances, &c. .. .. .	319,426
	7,311,368

*Investments*.—The book value of investments increased during the year from \$16,524,012 to \$34,365,863. Relevant details as at 30th June, 1976, are:—

	\$
Interest-free advances—to other Public Authorities .. .. .	4,524,728
Loan to a Public Authority .. .. .	325,232
Investments—Sinking Fund .. .. .	207,276
Investments—Death Benefit Fund .. .. .	13,308,627
Short Term Investments .. .. .	16,000,000
	34,365,863

*Concrete House Project*.—The amounts, \$323,113 as at 30th June, 1975, and \$21,432 as at 30th June, 1976, are, in effect, the notional liabilities, as at the respective dates, of the Concrete House Project to the Commission. The decrease during the year is explained as follows:—

	\$	\$
Liability of Concrete House Project to Commission on account of advances for improvements and for working capital as at 30th June, 1975 .. .. .		323,113
<i>Add—</i>		
Reduction in Current Liabilities .. .. .		73,835
		396,948
<i>Deduct—</i>		
Increase in Long Service Leave Reserve .. .. .	10,494	
Decrease in Current Assets .. .. .	281,648	
Decrease in book value of Equipment, Plant, Tools &c. .. .. .	83,374	
		375,516
Item—"Concrete House Project" as at 30th June, 1976..		21,432

The Project was charged notional interest at the rate of 5 per cent. per annum on the book value of its land, buildings and road services, &c. In the summary of the Commission's Revenue Account for 1975-76 furnished in this Report, the credit for this interest is included in the item, "Interest—Sundry", and the charge therefor is reflected in the cost of the prefabricated units constructed at the Project.

*Items Capitalized*.—Expenditure on administration, rates and interest deemed to be applicable to or incurred during construction has been capitalized. The amounts capitalized and the proportions thereof to the totals of the respective items for 1974-75 and 1975-76 are:—

	1974-75.		1975-76.	
	\$	%	\$	%
Interest .. .. .	1,913,929	7.75	2,434,280	8.66
Rates .. .. .	724,252	11.07	910,318	11.55
Administration .. .. .	3,911,904	42.63	4,628,488	41.51
	6,550,085		7,973,086	

"Rates" are based on actual figures. "Administration" is determined primarily on the basis of an estimated allocation of salaries. Regard has also been had to administrative items which are clearly ascertainable as direct charges to either capital or revenue.



*Loan Liability.*—As mentioned earlier, \$85,854,263 was provided by the Commonwealth during the year by way of loan advances. At 30th June, 1976, the liability in respect of loans was \$690,991,589. Details are :—

	\$	\$
<i>State Housing.</i>		
From the Government of Victoria—Housing .. ..	54,146,532	
„ „ „ „ „ „ Slum Reclamation .. ..	26,009,274	
„ „ „ „ „ „ Debenture issues of the Commission .. ..	1,040,000	
	<hr/>	
	81,195,806	
Government Loan transferred to the Commission .. ..	60,000	
	<hr/>	81,255,806
<i>Less</i> Securities purchased out of National Debt Sinking Fund and cancelled .. ..	2,690,537	
Debtures redeemed under Housing Act .. ..	640,000	
Repayments on Slum Reclamation .. ..	8,344,365	
	<hr/>	11,674,902
		<hr/>
		69,580,904
<i>Commonwealth-State Housing Agreement.</i>		
Loan Advances received from the Commonwealth of Australia	695,275,482	
<i>Less</i> Repayments .. ..	79,811,066	
	<hr/>	615,464,416
<i>House Purchasers' Death Benefit Fund.</i>		
Loan to Commission .. ..	..	5,946,269
		<hr/>
<i>Loan Liability as per Balance-sheet</i> .. ..		690,991,589
		<hr/>

The Commission is required to meet the debt charges on the liability to the Government of Victoria for housing. Debt charges on the amount advanced for slum reclamation are being met from the general revenues of the State.

*Commonwealth Grant—Dwellings for Aged Pensioners.*—During the year 1975–76, \$2,827,422 was advanced under the Commonwealth's *States Grants (Dwellings for Pensioners) Act 1974* for the provision of self-contained dwellings for eligible pensioners. To 30th June, 1976, \$10,670,492 had been spent on this project.

*Provision for Maintenance.*—As at 30th June, 1975, the balance of the Accruing Maintenance Provision was \$129,531. To this amount there was added in 1975–76 the sum of \$9,719,636 by way of normal provision from Revenue Account for maintenance. The total expenditure on maintenance charged to the account in 1975–76 was \$9,661,192 leaving a balance at credit of the account at the close of the year of \$187,975.

The estimate of accruing maintenance is based on an architect's assessments as applied to classified types of Commission houses.

*House Sales Unrealized Profit Suspense Account.*—The primary purpose of this account is to present at date the profit still to be realized on houses sold on terms. The transactions for the year are summarized below :—

	\$
Balance at credit 1st July, 1975 .. ..	39,147,550
Transfer from General Revenue Account .. ..	6,481,040
	<hr/>
	45,628,590
<i>Less—</i>	
Sundry adjustments arising from cancellation of sales, reduction of sale prices, &c. .. ..	35,551
	<hr/>
Balance at credit 30th June, 1976 .. ..	45,593,039
	<hr/>

*House Purchasers' Death Benefit Fund.*—House purchasers, unless disqualified by age, may be admitted to participation in the House Purchasers' Death Benefit Scheme, for the purposes of which an appropriation is made from interest receivable under contracts for the sale of houses on terms. Operations during the year and the position of the Fund as at 30th June, 1976, are summarized below :—

	\$	\$
Balance as at 1st July, 1975 .. .. .	..	12,370,855
<i>Add</i> Appropriation for year (section 109 Act No. 6275) ..	467,916	
Income from Investments .. .. .	867,075	
Premiums .. .. .	22,120	
	<hr/>	1,357,111
		<hr/>
		13,727,966
<i>Deduct</i> Payments on Account of Deceased Purchasers ..	120,591	
Administration Expenses .. .. .	56,191	
	<hr/>	176,782
		<hr/>
Balance as at 30th June, 1976 .. .. .	..	13,551,184

The sum of the investments of the Fund, \$13,308,627, includes an amount of \$5,946,269 set aside in an account in the Commission's books styled "Loan Advance—Death Benefit Fund". The Fund's investments are included in the Commission's balance-sheet item—"Investments \$34,365,863".

In respect of the advance of \$5,946,269, there is a contra of a similar amount in the Commission's balance-sheet under the item "Loans". In consideration of this advance, the Fund is being credited with interest from the Commission's ordinary revenues at rates comparable with those which would have been obtained if the sum had been invested outside the Commission's undertaking.

*Realized Profit Reserves, \$8,118,120.*—This balance comprises profit on land, \$7,971,609, and on shops \$146,511. During the year there was an increase of \$437,006 in the Land Realized Profit Reserve, being the resultant net realized profit from sales of land for other than residential purposes to the Commonwealth of Australia, industries, retailers, municipalities for reserves, church institutions and to the Education Department for school sites.

*Interest Receivable Reserve—House Purchasers, \$18,901,364.*—The stated purpose of the Reserve is to provide, on account of each sale on terms, for the payment of interest on the relevant proportion of the Commission's loan liability over the period commencing immediately after the date of final payment by the purchaser concerned, in terms of his Contract of Sale, and ending at the date of redemption of the outstanding proportion of the Commission's loan from the Commonwealth or State in respect of the unit involved.

Details of movements in this Reserve for the year are as follows :—

	\$	\$
Balance at credit 1st July, 1975 .. .. .	..	16,855,601
<i>Add—</i>		
Appropriation House Sales Trading Account .. ..	775,418	
Interest received—Rental Revenue Account .. ..	1,270,345	2,045,763
	<hr/>	<hr/>
Balance at credit 30th June, 1976 .. .. .	..	18,901,364

*Depreciation.*—No provision has been made out of revenue for depreciation of houses. The charge to revenue on account of debt redemption has so far been regarded by the Commission as a reasonable substitute for depreciation, as it provides for amortization over a period of 53 years.

*Accumulated Surplus, \$22,049,899.*—The variations in this account during the year are shown below :—

	S	\$
Balance—1st July, 1975 .. .. .	..	16,521,653
<i>Add—</i>		
Surplus Urban Land Council at 1st July, 1975 .. ..	5,143	
Amount written back to Revenue from Loan Redemption Reserve .. .. .	677,178	
Credit Balance, General Revenue Account .. .. .	4,898,046	
	<hr/>	5,580,367
		<hr/>
		22,102,020
<i>Less</i> Net Adjustment of Realized Profit of former years due to capital cost variations and cancellation of sales contracts, &c. ..		52,121
		<hr/>
Balance—30th June, 1976 .. .. .	..	<u>22,049,899</u>

## LATROBE VALLEY WATER AND SEWERAGE BOARD.

Functions of the Latrobe Valley Water and Sewerage Board include the maintenance of adequate supplies of water and the disposal of industrial and domestic waste.

Total advances to the Board by the State to 30th June, 1976, for expenditure on capital works amounted to \$19,343,494, including \$200,000 advanced during 1975-76. A further \$950,000 has been raised from private loans, including \$500,000 during 1975-76.

During the year, the Board, as agent of the Environment Protection Authority, incurred operating expenditure of \$380,431 and capital expenditure of \$38,557. This expenditure was recouped from the Authority.

Fees for Environment Protection Authority licences issued by the Board, \$63,610, were remitted to the Treasury.

The Board's Revenue Accounts for the past two years are compared :—

## DISPOSAL AREA REVENUE ACCOUNT.

1974-75.		1975-76.
\$		\$      \$
	<i>Income—</i>	
5,794	Rental, Board Properties .. .. .	5,959
1,255	Sundry .. .. .	2,093
24,688	Profit—Sheep Trading Account .. .. .	50,606
31,737		58,658
	<i>Expenditure—</i>	
166,207	Farm Operation and Maintenance .. .. .	189,990
63,237	Interest on Loans and on Overdraft .. .. .	61,002
18,610	Administrative and Sundry Expenses .. .. .	23,118
2,601	Maintenance Farm Dwellings .. .. .	6,593
11,358	Provision for Depreciation .. .. .	14,193
..	Loss—Cattle Trading Account .. .. .	6,159
262,013		301,055
230,276	Deficit on Disposal Area Account transferred to General Revenue Account	242,397

## GENERAL REVENUE ACCOUNT.

\$		\$      \$
	<i>Income—</i>	
1,010,169	Water Charges .. .. .	1,159,001
562,433	Disposal Charges .. .. .	664,474
336,308	Recoups from Environment Protection Authority .. .. .	418,988
44,181	Licence Fees .. .. .	63,610
45,924	Other .. .. .	89,754
1,999,015		2,395,827
	<i>Expenditure—</i>	
418,476	Interest on Loans .. .. .	461,250
78,403	Depreciation .. .. .	85,625
413,174	Maintenance and Operation of Works .. .. .	452,443
374,313	Overhead Services .. .. .	568,684
336,308	Environment Protection .. .. .	418,988
44,181	State Treasury—Licence Fees .. .. .	63,610
19,250	Other Expenses .. .. .	21,000
1,684,105		2,071,600
314,910	Surplus for year .. .. .	324,227
230,276	Deficit on Disposal Area Revenue Account .. .. .	242,397
84,634	<i>Net surplus for year</i> .. .. .	81,830

The Board's balances at 30th June, 1975, and 1976, are summarized hereunder :—

30.6.75.		30.6.76.
\$		\$      \$
	<b>Current Assets—</b>	
315,591	Cash at Bank .. .. .	3,274
8,986	Stores, Tools, &c. .. .. .	10,271
138,196	Livestock, Wool and Ensilage on Hand .. .. .	130,201
284,860	Debtors and Prepayments, &c. .. .. .	216,053
		<u>359,799</u>
2,319,050	Investments .. .. .	3,176,722
	<b>Fixed Assets—</b>	
17,532,039	Works (including Works in Progress) .. .. .	18,252,789
351,394	Plant and Equipment .. .. .	415,466
491,413	Land, Buildings, Residences .. .. .	491,413
116,880	Office and Laboratory Equipment .. .. .	81,557
231,745	Environment Protection .. .. .	267,763
		<u>19,508,988</u>
18,723,471		19,508,988
2,216,550	Less Depreciation .. .. .	2,455,722
		<u>17,053,266</u>
16,506,921		
	<b>Intangibles—</b>	
523,709	Interest on Works during Construction .. .. .	523,709
		<u>523,709</u>
20,097,313		21,113,496
	<b>Current Liabilities—</b>	
..	Bank Overdraft .. .. .	413,751
98,852	Sundry Creditors .. .. .	5,416
93,840	Long Service Leave Provision .. .. .	118,273
5,000	Staff Training Provision .. .. .	5,000
		<u>542,440</u>
	<b>Loan Liability—</b>	
16,937,348	State of Victoria .. .. .	17,007,933
450,000	National Bank .. .. .	735,940
21,000	Rural Finance and Settlement Commission .. .. .	..
..	State Savings Bank of Victoria .. .. .	100,000
..	State Superannuation Board of Victoria .. .. .	100,000
		<u>17,943,873</u>
17,606,040		
	<b>Excess of Assets over Liabilities—</b>	
231,745	Grant and Contributions by Government of Victoria for Environment Protection Agency Assets .. .. .	267,763
155,001	Capital Expenditure borne by the State .. .. .	155,001
5,000	Grant by Government of Victoria .. .. .	5,000
574,398	Appropriation for Plant Renewals, &c. .. .. .	592,459
1,238,439	Loans Redeemed Reserve .. .. .	1,381,914
136,000	Capital Facility Reserve .. .. .	136,000
54,600	Plantation Reserve .. .. .	54,600
96,090	Accumulated Surplus .. .. .	34,446
		<u>2,627,183</u>
20,097,313		21,113,496

### MARKETING BOARDS.

The *Marketing of Primary Products Act* 1958 provides the machinery under which Boards may be constituted for the marketing of those primary products which, by proclamation of the Governor in Council, have been declared commodities under and for the purposes of the Act.

The legislation specifically provides that a Board so constituted shall not be deemed to represent the Crown for any purpose whatsoever, and thus no liability can accrue to the State as a result of the transactions of any such Board.

The accounts of Boards constituted under the Act are subject to audit by the Auditor-General. Comments on and summaries of the accounts of five Boards, namely, the Chicory, Citrus Fruit, Egg and Egg Pulp, Onion, and Tobacco Leaf Marketing Boards follow.

With reference to the Oats Board, the proclamation of 23rd June, 1970, declaring oats to be a commodity for the purposes of the Marketing of Primary Products Act, was revoked with effect from 15th November, 1972. Distribution of the proceeds from the various pools has been made to the growers and the liquidator is in the final stages of winding up the affairs of the Board.

#### *Chicory Marketing Board.*

At the request of the Board, no chicory was grown during the 1974 season. Details of operations in respect of uncompleted 1973 and 1975 pools during the year ended 31st March, 1976, are :—

<i>Pool.</i>					1973.	1975.
Total Chicory Acquired (tons)	..	..	..	..	54	13
					1974-75.	1975-76.
					\$	\$
Net Pool balance 1st April	..	..	..	..	5,351	..
Proceeds from Sales	..	..	..	..	4,204	3,897
Transfers from Reserve	..	..	..	..	960	483
					10,515	4,380
Applied to :						
Freight and Cartage	..	..	..	..	89	41
Salaries	..	..	..	..	1,097	547
Other Expenses	..	..	..	..	277	170
Advances to Growers	..	..	..	..	7,719	3,247
Proceeds Held	..	..	..	..	1,333	375
					10,515	4,380

The Board, by minute dated 26th May, 1976, resolved to limit administrative expenditure charged to Pool sales to 6 per cent., while tonnage and number of growers remained small. This decision caused reserve funds to be used to the extent of \$1,436 during the 1975-76 year.

Operations in respect of these Pools have, except for final payment, now been completed. The Board's balances are summarized hereunder :—

					31.3.75.	31.3.76.
Assets—					\$	\$
Cash at Bank	..	..	..	..	10,975	8,020
Stock on Hand	..	..	..	..	50	..
Sundry Debtors	..	..	..	..	39	2,076
					11,064	10,096
Liabilities—						
Sundry Creditors	..	..	..	..	932	72
Reserve Fund..	..	..	..	..	9,752	8,316
Pool Balances	..	..	..	..	380	1,708
					11,064	10,096

*Citrus Fruit Marketing Board.*

Under the provisions of the *Marketing of Primary Products (Citrus Fruit) Act 1973* the Board may enter into and carry out such contracts relating to the handling of citrus fruit as may, in the opinion of the Board, be necessary for orderly marketing. The Board and the growers have entered into contracts which have the effect of exempting the produce from the vesting and delivering provisions of the Act for as long as the growers continue to comply with the contractual conditions and marketing directions of the Board. The agreement includes provision for a fee per 30 litre case to be remitted to the Board in respect of all authorised sales.

The Board's directives and marketing policy, which are formulated in conjunction with the Murray Valley (N.S.W.) Citrus Marketing Board, are administered through a registered company, the Citrus Management Company Limited. The board of directors of this company includes certain members of both marketing boards.

Details of the Board's financial operations for the period ended 31st March, 1976, were :—

	\$	\$
Service fees .. .. .		26,704
<i>Less—Expenditure—</i>		
Board Members, Allowances and Travelling Expenses ..	12,905	
Administrative Charges .. .. .	8,318	
General Expenses .. .. .	2,557	
Amortisation of Establishment Expenses .. .. .	2,830	
	26,610	26,610
Surplus for the year .. .. .		94

The accumulated deficit as at 31st March, 1976, was \$10,035 and is accounted for as follows :—

	\$	\$
Bank Overdraft .. .. .	29,160	
Creditors .. .. .	4,435	
	33,595	33,595
<i>Less—Service Fees due from the Citrus Management Company Limited</i>	12,237	
Establishment Expenses (Net) .. .. .	11,323	23,560
	23,560	23,560
Accumulated Deficit .. .. .		10,035

*Egg and Egg Pulp Marketing Board.*

This Board administers the marketing of eggs and egg products in Victoria. It operates grading floors in Melbourne and Ballarat in addition to a number of receiving and selling depots which are situated in both metropolitan and country areas. Grading and selling operations are also conducted on behalf of the Board by its authorized agents, producer agents and distributors. Pulp is manufactured by the Board in its factory in Melbourne.

Pursuant to the provisions of the *Poultry Levy (Collection Arrangement) Act 1965*, the Board is responsible for the collection of a hen levy on behalf of the Commonwealth. An amount of \$2,000,986 (subject to final adjustment) was made available by the Commonwealth to the State, under the provisions of the Commonwealth's *Poultry Industry Assistance Act 1965*, for the assistance of the poultry industry in respect of the 1975-76 pool period.

The following statement shows the operations of the pools during the last two accounting periods :—

1974-75.		1975-76.
\$		\$            \$
32,986,095*	Gross Sales .. .. .	33,363,004*
3,144,274†	Reimbursement, Poultry Industry Trust Fund .. ..	1,728,282†
..	Claim on Insurance Company .. .. .	338,797‡
36,130,369		35,430,083
	<i>Less Cost of Sales—</i>	
28,936,764	Net Advances to Producers .. .. .	28,224,248
5,264,025	Receiving, Grading, Packaging, Manufacturing and Associated Costs .. .. .	5,384,791
34,200,789		33,609,039
124,779	Increase in Stock on Hand .. .. .	72,140
34,076,010		33,536,899
2,054,359	Gross Operating Surplus .. .. .	1,893,184
1,666,043	<i>Less</i> Selling, Marketing and Administrative Expenses ..	1,716,752
388,316	Net Pool Surplus .. .. .	176,432
176,980	Accumulated Surplus brought forward .. .. .	552,618
88,726	Adjustments not applicable to current Pool Account (net) ..	(3,310)
265,706		549,308
101,404	<i>Less</i> Transfers to Reserve Fund .. .. .	454,213
552,618	Accumulated Surplus at close of Pool Period .. .. .	271,527

\* Subject to adjustment on final realization of export sales from Australian Egg Board.

† Reimbursement for export losses.

‡ Amount claimed under insurance policy re loss on damaged stock of egg pulp.



The following is a statement of the Board's balances at 3rd July, 1976. Comparative figures at the end of the preceding pool period are also given.

The Board's funds were—

5.7.75.		3.7.76.
\$		\$
1,316,281	Reserve Fund .. .. .	1,770,494
468,131	Surplus Distribution 1947-48 (ex Commonwealth) .. .. .	468,131
	Accumulated Surplus—	
552,618	1974-75 .. .. .	..
..	1975-76 .. .. .	271,527
<u>2,337,030</u>		<u>2,510,152</u>

The Board's funds were represented by net assets as detailed hereunder :—

5.7.75.		3.7.76.
\$		\$
	Current Assets—	
896	Cash on Hand and at Bank .. .. .	1,013
..	Claim on Poultry Industry Trust Fund .. .. .	80,664
	Stock on Hand—	
817,990	Eggs and Egg Products at valuation .. .. .	890,130
236,566	Packing materials at cost .. .. .	305,780
46,514	Supplies at cost or valuation .. .. .	33,120
<u>1,101,070</u>		<u>1,229,030</u>
	Debtors—	
852,986	Trade and other .. .. .	1,463,809*
531,623†	Australian Egg Board .. .. .	423,268†
<u>1,384,609</u>		<u>1,887,077</u>
30,000	Less Provision for Doubtful Debts .. .. .	30,000
<u>1,354,609</u>		<u>1,857,077</u>
<u>2,456,575</u>		<u>3,167,784</u>
	Less Current Liabilities—	
571,834	Creditors .. .. .	838,840
106,545	Reserve Bank of Australia .. .. .	600,017
37,709	Department of Primary Industry (Hen Levy) .. .. .	50,531
39,770	Refund due to Poultry Industry Trust Fund .. .. .	..
287,504	Provision for Employees Long Service Leave, Annual Leave and Sick Pay .. .. .	314,838
..	Special Advance—Poultry Industry Trust Fund .. .. .	100,000
<u>1,043,362</u>		<u>1,904,226</u>
<u>1,413,213</u>	Working Capital .. .. .	<u>1,263,558</u>
	Fixed Assets—(at cost less depreciation)	
122,612	Freehold Properties .. .. .	555,612
341,198	Leasehold Properties .. .. .	324,657
361,940	Plant and Equipment .. .. .	264,523
58,488	Motor Vehicles .. .. .	67,429
39,579	Office Machinery and Equipment .. .. .	34,373
<u>923,817</u>		<u>1,246,594</u>
<u>2,337,030</u>		<u>2,510,152</u>

\* Includes \$338,797 claimed under insurance policy re loss on damaged egg pulp on hand 5th July, 1975, and disposed of during 1975-76. The claim is subject to litigation.

† Subject to adjustment on final realization of export sales.

As in previous pool periods, the results of the year's operations have been affected by the valuation of stocks of eggs and egg products. The asset "Eggs and Egg Products" shown in the balance-sheet at \$890,130 has been valued at current local market prices after providing for storage and after deducting an additional and arbitrary amount of \$100,000 from the valuation of the stocks of egg products. This arbitrary reduction has resulted in the understatement of the value of stocks on hand, compared with current local market prices, as at 3rd July, 1976, and has the effect of providing a reserve of \$100,000 not incorporated in the accounts.

Pursuant to the provisions of the *Egg Industry Stabilization Act 1973*, proclaimed to operate from 3rd April, 1974, the Poultry Farmer Licensing Committee and the Poultry Farmer Licensing Review Committee were constituted. The Licensing Committee has the power to grant licences which fix hen quotas in respect of egg production and may also grant permits to poultry farmers to keep hens for special purposes. The Review Committee is empowered, after hearing appeals, to vary decisions of the Licensing Committee.

All moneys received by the Licensing Committee are payable to the Egg and Egg Pulp Marketing Board when requested by the Board. The remuneration and allowances payable to the members of the two Committees together with all other costs of administration are met from the funds of the Board. In 1975-76, fees received on account of applications for licences amounted to \$10,265, compared with \$8,585 in the previous year. Expenditure incurred in the administration of the Act rose from \$27,349 in 1974-75 to \$61,662 in 1975-76.

#### *Onion Marketing Board.*

Details of operations during the last two seasons, i.e., those ended on 15th November, 1974, and 15th November, 1975, are given in the statement hereunder. The figures for the latter season are provisional only and are subject to audit.

	Pool.	
	1974.	1975.
	\$	\$
Proceeds from sales .. .. .	1,408,949	919,512
Administration and marketing expenses .. .. .	94,239	169,695
Payments to growers .. .. .	1,324,184	827,134

Pursuant to Section 13 (5) of the *Marketing of Primary Products Act 1958* the Governor in Council appointed a chartered accountant as liquidator of the Onion Marketing Board as from 19th November, 1975, for the purpose of wholly winding up its affairs.

The Balance Sheet of the Board as at 19th November, 1975, is summarized as follows :—

#### *Liabilities—*

##### *Sundry Creditors*

Growers .. .. .	\$	\$	\$
Others .. .. .		61,943	
		21,577	
Bank Overdraft .. .. .			83,520
			57,467
			140,987

##### *Reserves*

Long Service Leave .. .. .	3,282
General Reserve .. .. .	221,156
	224,438

Less Excess of Expenditure over Income .. .. .	131,576
1975 Pool .. .. .	77,317
	208,893

15,545

156,532

#### *Assets—*

##### *Fixed Assets*

Fixed Assets .. .. .	46,174
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##### *Current Assets*

Sundry Debtors .. .. .	108,036
Short Term Investments .. .. .	2,271
Cash on Hand .. .. .	51
	110,358

156,532

*Tobacco Leaf Marketing Board.*

A summary of the financial operations for the accounting periods ended 31st March, 1975, and 1976, is set out hereunder. The figures for 1975-76 are subject to audit.

1974-75. \$		1975-76. \$
16,538,023	Gross proceeds from sales of tobacco leaf .. .. .	20,517,036
	<i>Applied to :—</i>	
310,114	Broker's Commission .. .. .	384,695
68,354	Freight .. .. .	85,358
27,164	Rehandling Charges .. .. .	21,684
62,236	Commonwealth Tax Levy .. .. .	68,650
187,515	Insurance .. .. .	272,373
247,203	Marketing Board Charge .. .. .	306,491
914	Other Expenses .. .. .	1,358
1,204,766	Growers' Liens, Orders, &c. .. .. .	1,958,520
14,429,757	Net Proceeds to Growers .. .. .	17,417,907
16,538,023		20,517,036

The Board's charge of \$306,491 against the sales proceeds for 1975-76, together with other receipts, was expended as shown hereunder. The comparable figures for 1974-75 are also shown.

1974-75. \$		1975-76. \$
72,825	Board staff—salaries, superannuation, long service leave .. .. .	80,475
11,015	Travelling expenses—other than Board members .. .. .	12,789
23,822	Board members—allowances, travel and air fares .. .. .	25,285
11,819	Expenses of Tobacco Quota Committee and Tobacco Quota Appeals Tribunal .. .. .	9,623
17,928	Appraisers' fees and allowances .. .. .	24,981
4,279	Depreciation .. .. .	16,940
18,691	Industry surveys .. .. .	24,961
..	Harvester trials .. .. .	33,499
20,000	Flood mitigation .. .. .	..
40,656	General and Administrative Expenses .. .. .	37,096
48,428	Surplus .. .. .	178,952
269,463		444,601

The Board's balances are summarized hereunder :

31.3.1975. \$		31.3.1976. \$
	<i>Assets—</i>	
97,237	Cash at Bank and on Hand .. .. .	171,480
250,000	Loan to Tobacco Industry Leaf Finance Agency .. .. .	160,000
..	Loan to Quota Advance Payment Agency .. .. .	179,000
2,428	Advances .. .. .	9,383
1,108	Sundry Debtors .. .. .	7,503
30,000	Advance Insurance Premium Payment .. .. .	..
10,315	Long Service Leave Fund .. .. .	13,437
1,962	Office Furniture and Equipment (Cost less depreciation) .. .. .	797
16,026	Motor Vehicles and Plant (Cost less depreciation) .. .. .	62,896
105,084	Land and Buildings .. .. .	104,903
45,480	1970, 1971 and 1972 Surplus Leaf—Processing Costs Temporarily Capitalized .. .. .	30,464
831	Sundry .. .. .	972
560,471		740,835
	<i>Liabilities—</i>	
295	Sundry Creditors .. .. .	624
65,813	Insurance Equalization .. .. .	63,774
10,315	Provision for Long Service Leave .. .. .	13,437
435,620	Growers' Funds Brought Forward .. .. .	484,048
48,428	Add—Surplus for year .. .. .	178,952
		663,000
560,471		740,835

## MELBOURNE AND METROPOLITAN BOARD OF WORKS.

The audit of the books and accounts of the Board for the year ended 30th June, 1976, has been completed and the statements of accounts for the year have been certified by me.

The Board's Revenue Accounts for the past two years are compared hereunder :—

1974-75.		1975-76.		
\$		\$	\$	\$
	Rates and Charges—			
44,960,416	Water Supply .. .. .	57,139,915		
62,439,734	Sewerage .. .. .	79,726,372		
8,380,784	Drainage and Rivers .. .. .	10,364,305		
<u>115,780,934</u>			147,230,592	
	Farm—			
(262,514)	Loss on cattle and sheep .. .. .	(3,781)		
2,781	Sundry receipts .. .. .	3,958		
<u>(259,733)</u>			177	
<u>115,521,201</u>	Gross Revenue .. .. .			147,230,769
	Working Expenses—			
17,144,431	Management .. .. .		19,552,989	
27,746,920	Maintenance .. .. .		35,447,021	
51,708,232	Interest .. .. .		64,160,989	
<u>96,599,583</u>				119,160,999
<u>18,921,618</u>	Gross Surplus .. .. .			<u>28,069,770</u>
	General Expenditure—			
627,685	Loan Flotation Expenses .. .. .	719,526		
404,371	Staff Retiring Gratuities .. .. .	513,077		
3,123,342	Contributions to Superannuation Fund .. .. .	4,505,440		
320,476	Depreciation—Furniture and Fittings, Works Temporarily Capitalized, &c. .. .. .	1,014,948		
<u>4,475,874</u>			6,752,991	
	Statutory Expenditure—			
211,112	Fees for Municipal Valuations .. .. .	221,004		
61,689	Contributions to Municipalities .. .. .	58,078		
			279,082	
<u>4,748,675</u>	Carried forward .. .. .		<u>7,032,073</u>	<u>28,069,770</u>

1974-75.		1975-76.	
\$		\$	
4,748,675	Brought forward .. ..	7,032,073	28,069,770
Provisions and Transfers to Reserves—			
1,150,874	Renewals Fund .. ..	1,465,561	
2,209,510	Sinking Fund .. ..	2,407,880	
4,954,544	Loans Redeemed from Revenue Reserve ..	5,609,900	
..	Fund for Replacement of Interior Fittings—		
	Head Office Building .. ..	100,000	
8,314,928		9,583,341	
13,063,603	Expenditure, &c. from Gross Surplus .. ..		16,615,414
5,858,015			11,454,356
Appropriations from Revenue—			
5,000,000	General Reserve including transfer to provide		
	for future contingencies .. ..	6,880,000	
..	Provision for Furlough .. ..	450,000	
..	Insurance Fund .. ..	450,000	
5,000,000			7,780,000
858,015	Net Surplus Transferred to Rates Equalization Fund—		
	Metropolitan General Fund .. ..		3,674,356

In addition to the yearly contributions to Renewals Fund, Sinking Fund and Loans Redeemed from Revenue Reserve, the Board also transferred \$6,880,000 to the General Reserve. This represents the amount appropriated from revenue for capital works for water supply, drainage and sewerage \$5,900,000, and a provision for future contingencies, \$980,000.

A further \$1,000,000 was appropriated from revenue for the following purposes:—

Additional provision for Furlough .. ..	\$ 450,000
Additional contribution to Insurance Fund .. ..	450,000
Replacement of Interior Fittings—Head Office Building .. ..	100,000
	<u>1,000,000</u>

With the introduction of Long Service Leave after ten years service, many officers are availing themselves of this entitlement, and the Board decided to provide an additional sum to meet its increased liability in this area.

From 1st January, 1977, the Board will be taking over its own motor vehicle insurance and will also become self-insured in a number of other areas. The increased provision to the Insurance Fund was made in view of the additional liabilities being accepted.

The following summary shows the variations in the valuations of properties rateable to the Board and the annual collectable revenue over the past three years:—

Financial Year.	Revenue from Water Rates and Charges.	Revenue from Metropolitan General Rate and Other Charges.	Revenue from Drainage and Rivers Rate and Other Charges.	Assessment Valuations (Net Annual Values).
	\$	\$	\$	\$
1973-74 .. ..	34,926,190	46,113,156	8,080,023	734,132,476
1974-75 .. ..	44,960,416	62,439,734	8,380,784	769,861,286
1975-76 .. ..	57,139,915	79,726,372	10,364,305	791,295,118

The aggregate of net annual values on which the rates were assessed continued to rise as a result of supplementary valuations.

Net interest charges continued to be a heavy burden on the Board's revenue, being \$12,452,757 higher than the previous year. However, the percentage of rates and charges absorbed by interest fell to 43.58 as compared with 44.66 in 1974-75.

Interest charged included amounts credited to the Board's several funds as follows—Renewals Fund, \$607,811 ; Sinking Funds, \$3,024,082 ; and Superannuation Fund, \$935,696.

The main credits during the year to Special Funds and the balances of those Funds at 30th June, 1976, are shown hereunder :—

—	Contributions from Revenue.	Interest Credited.	Total Revenue Additions to Fund.	Credit Balance at 30th June, 1976.
	\$	\$	\$	\$
Sinking Funds.. .. .	2,755,133	3,024,082	5,779,215	67,440,243
Loans Redeemed from Revenue Reserve ..	5,609,900	..	5,609,900	35,053,938
Renewals Fund .. .. .	1,465,561	607,811	2,073,372	26,722,882
Superannuation Fund .. .. .	4,803,007	935,696	5,738,703	21,322,826
	14,633,601	4,567,589	19,201,190	150,539,889

In addition to the Funds listed above, there are other Provisions and Reserves with credit balances to the sum of \$204,156,797 as at 30th June, 1976. Thus, the sum of the Board's Funds and Reserves as at that date was \$354,696,686. Of this sum, \$130,946,840 was invested and \$223,749,846 was utilized in the Board's undertaking.

*Town Planning, &c.*—The Metropolitan Improvement Rate was increased from 1·4c to 1·6c per dollar and was assessed on properties with an aggregate net annual value of \$822,110,720 compared with \$794,321,066 in 1974–75.

Details of the Metropolitan Improvement Fund Revenue Account for the past two years are given below :—

1974–75.		1975–76.
\$		\$      \$
12,437,927	Revenue—	
	Metropolitan Improvement Rate and Sundry Income .. .. .	14,972,494
	Less Expenditure—	
2,936,233	Management .. .. .	4,249,438
42,344	Maintenance .. .. .	38,160
72,628	Interest .. .. .	76,917
24,194	Contribution to Sinking Fund—	
	Metropolitan Improvement Fund .. .. .	(24,194)
222,100	Proportion of Statutory and General Charges .. .. .	324,365
721,016	Contribution to Melbourne Underground Rail Loop Authority .. .. .	1,260,775
4,018,515		5,925,461
8,419,412	Less Appropriated for Works—	9,047,033
	Planning—	
8,615,055	Reserved Land and Acquisitions .. .. .	4,758,505
552,976	Special Road Projects .. .. .	553,056
	Metropolitan Parks—	
3,169,737	Land Acquisitions .. .. .	3,812,143
	Fixed Plant .. .. .	36,220
80,872	Construction Works .. .. .	308,074
12,418,640		9,467,998
	Less Amount reimbursed to the Board for—	
1,025,750	Road Works carried out during 1973–74 .. .. .	\$ ..
2,042,093	Sales of Land .. .. .	5,225,246
992,781	Contribution Urban Land Council .. .. .	664,882
8,358,016		5,890,128
61,396	Net Surplus Transferred to Rates Equalization Fund—Metropolitan Improvement Fund .. .. .	3,577,870
		5,469,163

At 30th June, 1976, the credit balances in the accounts of the Board relating to its planning functions were :—

	\$
Loan Liability—Loan 1477 .. .. .	800,000
Sinking Fund—Metropolitan Improvement Fund.. .. .	800,000
Contributions to Works—Metropolitan Improvement Fund .. .. .	2,514,864
General Reserve—Metropolitan Improvement Fund .. .. .	50,018,882
Rates Equalization Fund—Metropolitan Improvement Fund .. .. .	9,242,385
	<hr/>
	63,376,131
	<hr/>

These balances were represented by the following assets or capitalized expenditure :—

Metropolitan Improvement Fund—	\$	\$
Cash at Bank .. .. .	7,185	
Amount due to Metropolitan General Fund .. .. .	383,319	
	<hr/>	O/D 376,134
Securities—Short Term .. .. .		12,725,000
Advance to Shire of Diamond Valley .. .. .		50,000
Arrears—Rates and Charges (estimate) .. .. .		368,407
Sundry Debtors—		
Land Sales .. .. .	5,663,743	
Rent .. .. .	13,192	
Hired Plant .. .. .	3,026	
Accrued Interest .. .. .	67,308	
	<hr/>	5,747,269
Reserved Land—held temporarily under Section 57, Act No. 6849	32,266,941	
Compensation under Section 42, Act No. 6849 .. .. .	1,899,791	
	<hr/>	34,166,732
Metropolitan Parks—		
Fixed Plant .. .. .	36,220	
Capitalized Expenditure .. .. .	10,658,637	
	<hr/>	10,694,857
		<hr/>
		63,376,131
		<hr/>

The advance of \$50,000 to the Shire of Diamond Valley represents 25 per cent. of the total amount the Board is to lend the Shire, over a period of four years, towards the purchase of land for a sporting complex. It is doubtful whether the Board has the power to make loans of this nature, as Section 40 of the *Town and Country Planning Act 1961* only gives the Board power to purchase land for planning purposes, while Section 217 of the *Melbourne and Metropolitan Board of Works Act 1958* only allows the Board to grant subsidies to councils for or towards the improvement of any public open space. The Board's officers are examining the legal implications of this type of loan.

*Assets and Liabilities and Funds.*—The statement hereunder shows the Assets and Liabilities and Funds of the Board at 30th June, in each of the past two years :—

1974-75.		1975-76.
\$		\$            \$
	<b>Loan Liability—</b>	
95,468,599	From State Funds .. .. .	120,942,772
34,345,975	From Commonwealth Funds .. .. .	55,906,303
736,868,280	Other .. .. .	822,942,952
<hr/>		<hr/>
866,682,854		999,792,027
<hr/>		
	<b>Deferred Liabilities—</b>	
17,935,455	Superannuation Account.. .. .	21,322,826
2,384,225	Provision for Furlough .. .. .	3,487,163
<hr/>		<hr/>
20,319,680		24,809,989
<hr/>		
	<b>Funds and Reserves—</b>	
61,186,853	Sinking Fund—Metropolitan General Fund ..	66,640,243
29,444,037	Loans Redeemed from Revenue Reserve .. ..	35,053,938
38,580,735	General Reserve—Metropolitan General Fund ..	47,895,794
37,493,766	Contribution to Works—Metropolitan General Fund	60,096,498
..	Replacement Fund—Interior Fittings, Head Office Building .. .. .	110,000
<hr/>		<hr/>
166,705,391		209,796,473
784,065	Less Fixed Assets Retired .. .. .	785,669
<hr/>		<hr/>
165,921,326		209,010,804
<hr/>		
474,175	Sinking Fund—Metropolitan Improvement Fund ..	800,000
1,608,000	Contribution to Works—Metropolitan Improvement Fund .. .. .	2,514,864
3,773,222	Rates Equalization Fund—Metropolitan Improvement Fund .. .. .	9,242,385
46,326,534	General Reserve—Metropolitan Improvement Fund..	50,018,882
3,209,912	Rates Equalization Fund—Metropolitan General Fund	6,884,269
8,738,860	Special Reserve— Head Office Building .. .. .	\$ 5,607,904
	Contributions to Works .. .. .	3,130,956
		<hr/>
		8,738,860
<hr/>		
1,249,483	Insurance Fund.. .. .	2,653,993
2,826,809	Sewage Disposal Contributions Reserve .. ..	6,093,634
3,136,711	Water Supply Distribution Charges Reserve ..	5,139,899
22,442	Main Drainage Contributions Reserve .. ..	1,438,375
<hr/>		<hr/>
237,287,474		302,535,965
<hr/>		
1,124,290,008		1,327,137,981
<hr/>		<hr/>
	<b>Fixed Assets—</b>	
375,355,588	Water Supply Works .. .. .	434,342,893
541,685,751	Sewerage Works .. .. .	627,036,702
57,104,354	Main Drainage and River Improvement Works ..	66,139,195
92,108	Metropolitan Parks .. .. .	10,658,637
<hr/>		<hr/>
974,237,801	Carried forward .. .. .	1,138,177,427



1974-75.		1975-76.
\$		\$
974,237,801	Brought forward .. .. .	1,138,177,427
42,210,749	Buildings, Water Meters and other items .. .. .	48,036,843
<u>1,016,448,550</u>		<u>1,186,214,270</u>
25,069,679	Less Renewals Fund .. .. .	26,722,882
<u>991,378,871</u>		<u>1,159,491,388</u>
10,836,517	Plant and Tools .. .. .	11,743,257
3,593,020	Motor Vehicles.. .. .	4,810,535
1,596,412	Furniture and Fittings .. .. .	1,480,852
<u>1,007,404,820</u>		<u>1,177,526,032</u>
	Investments—	
11,093,620	External—Stock—Short Term Securities, &c. ..	11,933,220
2,500,730	Internal—Stock—Melbourne and Metropolitan Board of Works .. .. .	2,251,820
<u>13,594,350</u>		<u>14,185,040</u>
	Current Assets—	
..	Cash at Bank—Metropolitan Improvement Fund ..	7,185
125,480	Cash at Bank—Special Account .. .. .	88,617
1,123,613	Advances to Contractors, &c. .. .. .	1,316,218
76,815,000	Securities—Short Term .. .. .	116,768,000
6,974,488	Arrears of Rates and Charges .. .. .	7,439,970
10,337,408	Sundry Debtors .. .. .	11,887,188
7,149,170	Stores and Materials on Hand .. .. .	9,455,731
1,163,292	Livestock on Hand .. .. .	1,168,709
39,634,118	Reserved Land—Metropolitan Improvement Fund—	
1,486,891	Acquired Land .. .. .	32,266,941
	Compensation for loss on sales .. .. .	1,899,791
<u>144,809,460</u>		<u>182,298,350</u>
1,165,808,630		1,374,009,422
	Less Current Liabilities—	
562,430	Metropolitan General Fund—Bank Overdraft ..	759,433
488,516	Metropolitan Improvement Fund—Bank Overdraft..	..
33,315,290	Sundry Creditors and Deposits .. .. .	37,489,235
8,276,699	Loan Interest, Matured Debentures and Inscribed Stock	7,994,923
<u>42,642,935</u>		<u>46,243,591</u>
1,123,165,695		1,327,765,831
	Deferred Charges—	
1,124,313	Distributable Expense Variance Account .. .. .	(627,850)
<u>1,124,290,008</u>		<u>1,327,137,981</u>

Included in the figure for “Buildings, Water Meters and other items” is a temporarily capitalized amount of \$221,797, which the Board has paid during the financial year, for repairs to and restoration of the facade of its new Head Office Building. Legal advice is being sought by the Board as to the final responsibility for these costs.

The fixed asset “Metropolitan Parks” includes \$10,204,153 in respect of land purchased for parks now being developed by the Board, and previously held in the item “Reserved Land—Metropolitan Improvement Fund”. The parks involved are Dandenong Valley, Maribyrnong and Yarra Valley.

In accordance with the *Metropolitan Bridges, Highways and Foreshores Act 1974*, the Country Roads Board, as from 1st July, 1974, took over the assets and liabilities in respect of bridges and highways of the Melbourne and Metropolitan Board of Works. Included among the liabilities was a loan of \$800,000 maturing 1st July, 1992. The amount of the residual liability of this loan, \$371,447, was paid to the Board of Works by the Country Roads Board on 31st January, 1976, and credited to Sinking Fund—Metropolitan Improvement Fund.

Although the Country Roads Board, on 7th July, 1975, reimbursed the Melbourne and Metropolitan Board of Works \$170,097 for four properties acquired for the Punt Road Widening Project, the Board of Works had not, at date of preparation of this Report, transferred the titles to these properties to the Country Roads Board and, in fact, has continued to collect and retain the rentals.

The item “Contribution to Works—Metropolitan General Fund” includes the sum of \$1,482,489 provided by the State from the Works and Services Account for fluoridation of the water supply under the control of the Board.

The increase of \$9,315,059 in the General Reserve—Metropolitan General Fund was accounted for as follows :—

	\$	\$
Capital Works financed from revenue (appropriation) .. ..	..	5,900,000
Profit on sale of properties .. ..	..	299,855
Compensation not paid .. ..	..	2,500
Adjustment <i>re</i> Werribee Water Supply and Sewerage Authority takeover .. ..	..	2,762,519
National Debt Sinking Fund—Commonwealth Contribution .. ..	..	14,125
Profit on sale of stores and plant .. ..	..	28,314
Balances on certain Variance Accounts transferred .. ..	..	226,697
Provision for future contingencies (appropriation) .. ..	..	980,000
		10,214,010
<i>Less—</i>		
Transfers to other Reserves .. ..	896,427	
Road repairs claimed .. ..	1,570	
Contribution refunded .. ..	954	
	898,951	
		9,315,059

Loans raised under Section 187 of the *Melbourne and Metropolitan Board of Works Act* 1958, as amended, may not exceed a maximum of \$1,000,000,000 and at 30th June, 1976, the Board's total liability in respect of such loans stood at \$822,142,952. Additional sums have been advanced by way of loan by the Treasurer of Victoria under the provisions of Section 200 of the Act and liability in respect of these advances totalled \$176,849,075 at the close of the year. These advances are not subject to a statutory maximum.

Under its *Urban and Regional Development (Financial Assistance) Acts* 1974 and 1975, the Commonwealth, to assist the State to overcome a backlog of sewerage works, made available, in 1975–76, amounts of \$21,595,000 by way of loan and \$9,255,000 by way of grant, making a total for this purpose of \$30,850,000. The balance outstanding, at 30th June, 1976, in respect of loans was \$55,906,303 and this sum is included in the Board's liability of \$176,849,075 under Section 200 of the Act referred to above. In addition, a further \$122,643 was provided by way of grant for support activities.

The increase in fixed assets financed from loan moneys and the Board's internal resources amounted to \$171,774,415. Major increases were :—

	\$
Reservoir and Conduit Construction, etc. .. ..	35,429,678
Water Supply—extension large mains .. ..	11,411,824
Water Supply—reticulation, water meters, etc. .. ..	10,068,064
Water Supply—treatment and fluoridation plants .. ..	2,744,803
Construction and Amplification—sewage disposal, etc.—Farm .. ..	897,707
Sewerage—extension mains, purification plants, etc. .. ..	81,950,621
Sewerage Pumping Stations .. ..	1,969,450
Main Drains and River Improvements—extensions, etc... ..	9,034,841

## MELBOURNE AND METROPOLITAN TRAMWAYS BOARD.

The annual audit of the accounts to 30th June, 1976, conducted by my officers pursuant to the provisions of the *Melbourne and Metropolitan Tramways Act 1958* is in course and the continuous audit of the accounts, also provided for in the Act, has been carried out for the Board by a chartered accountant. The audits are, by arrangement, complementary in character.

The Board's Revenue Accounts for the past two years are compared :—

		<i>Revenue.</i>	
		1974-75.	1975-76.
		\$	\$
Traffic Receipts—Tram .. .. .	.. .. .	20,655,908	24,727,402
Bus .. .. .	.. .. .	4,511,938	5,240,497
Miscellaneous—Operating Receipts .. .. .	.. .. .	302,894	304,342
Non-operating Receipts .. .. .	.. .. .	325,107	417,561
Received from the Drivers' Licence Suspense Account .. .. .	.. .. .	897,000	1,028,000
Total Revenue .. .. .	.. .. .	26,692,847	31,717,802
 <i>Expenditure.</i> 			
Traffic Operation Costs —Tram .. .. .	.. .. .	17,941,139	20,249,059
Bus .. .. .	.. .. .	4,787,776	5,512,192
Maintenance—Permanent Way .. .. .	.. .. .	1,603,189	1,764,871
Tramcars .. .. .	.. .. .	5,095,776	5,523,035
Buses .. .. .	.. .. .	2,215,770	2,521,884
Electrical Equipment .. .. .	.. .. .	1,237,140	1,428,801
Buildings and Grounds .. .. .	.. .. .	620,924	698,589
Traction Energy Costs .. .. .	.. .. .	888,634	1,048,396
Fuel Oil (Buses) .. .. .	.. .. .	373,653	533,167
Bus Licence Fees and Road Tax .. .. .	.. .. .	9,286	2,939
General Administration and Stores Department Costs .. .. .	.. .. .	3,019,091	3,030,532
Workers Compensation Insurance .. .. .	.. .. .	1,822,455	3,238,831
Payroll Tax .. .. .	.. .. .	1,721,090	1,966,939
Interest on Capital Debt .. .. .	.. .. .	1,947,453	2,360,660
Depreciation and Amortization Provisions .. .. .	.. .. .	908,567	1,156,072
Charges for—Accrued Sick Leave .. .. .	.. .. .	146,407	162,984
Long Service Leave .. .. .	.. .. .	690,308	984,216
Retiring Gratuities .. .. .	.. .. .	1,262,194	1,586,829
Public Liability Claims .. .. .	.. .. .	826,537	886,399
Non-operating expenses .. .. .	.. .. .	146,596	146,117
Total Expenditure .. .. .	.. .. .	47,263,985	54,802,512
Result for year .. .. .	.. .. .	Deficit 20,571,138	Deficit 23,084,710

The Board's balances as at 30th June, 1975 and 1976, are summarized hereunder :—

30.6.75.		30.6.76.
\$	Current Assets—	\$      \$
125,006	Balances at Bank and Cash in Hand .. .. .	49,162
234,753	Sundry Debtors .. .. .	279,658
3,984,694	Stores on Hand and Work in Progress .. .. .	4,198,133
4,344,453		4,526,953
 <i>Fixed Assets—</i> 		
21,405,637	Permanent Way, Overhead Construction, Transmission Lines .. .. .	22,126,785
13,121,997	Rolling Stock .. .. .	21,399,229
5,080,069	Land and Buildings .. .. .	5,463,980
4,116,540	Plant, Furniture, and Fittings, &c. .. .. .	4,434,885
43,724,243		53,424,879
22,415,436	Less Provision for Depreciation .. .. .	22,933,557
21,308,807		30,491,322
25,653,260	Carried forward .. .. .	35,018,275

30.6.75.						30.6.76.
\$						\$
25,653,260	Brought forward	..	..	..	..	35,018,275
2,038,713	Intangible Assets	..	..	..	..	2,039,729
1,620,338	Less—Provision for Amortization	..	..	..	..	1,659,836
418,375						379,893
4,571,753	Investments	..	..	..	..	2,621,753
30,643,388	Total Assets	..	..	..	..	38,019,921
<b>Current Liabilities—</b>						
1,432,214	Bank Overdraft	..	..	..	..	975,403
1,700,550	Other	..	..	..	..	2,150,160
3,132,764						3,125,563
<b>Accrued Liabilities—</b>						
465,721	Interest on Loans	..	..	..	..	601,277
2,484,256	Other	..	..	..	..	3,684,862
2,949,977						4,286,139
15,555,000	Special State Advance—Works and Services Account	..			..	15,555,000
22,097,000	Vote	..	..	..	..	44,410,000
						59,965,000
31,935,063	Liability in respect of Loans from Banks, Superannuation Funds, etc.	..			..	37,224,925
75,669,804	Total Liabilities	..	..	..	..	104,601,627
<b>The excess of Liabilities over Assets is represented by—</b>						
29,909,608	The Accumulated Deficit brought forward	..	..	..	..	50,480,746
20,571,138	Plus—Deficit for year	..	..	..	..	23,084,710
50,480,746	Accumulated Deficit at 30th June	..	..	..	..	73,565,456
157,573	Less—Grants from Commonwealth for Tramlines constructed at its request	..	..	..	..	157,573
1,852,970	Net Contributions towards Major Tramways Works constructed at the request of other Authorities	..			..	1,909,511
800,000	Grant from Country Roads Board—Tram Track Construction Project	..	..	..	..	1,000,000
2,643,787	Grants from Commonwealth under <i>States Grants (Urban Public Transport) Act 1974</i>	..	..	..	..	3,916,666
5,454,330						6,983,750
45,026,416						66,581,706

As a result of the writing back, in 1966–67, of the Specific Provisions for Accrued Sick Leave, Retiring Gratuities, Long Service Leave, &c., no provision now exists in the Board's accounts for such contingencies.

The revenue credit of \$1,028,000 from the Drivers' Licence Suspense Account is the amount which was determined by the Treasurer as being payable in 1975–76 from that Account to the Board pursuant to Section 22E (3) of the *Motor Car Act 1958*. The payment is regarded as assistance towards meeting the cost to the Board of maintenance of roads along tram tracks and of debt charges on funds applied towards costs of roadworks.

The large deficits which have occurred regularly in recent years have reduced the Board's equity in the undertaking, calculated on Balance-sheet figures, to such an extent that for some years its liabilities have exceeded its assets. The advances from the State amounting to \$59,965,000 over the last five years indicate the amount of direct financial assistance given to the Board.

The Board regards the provision for depreciation and amortization as covering not only those two particular items but also the Board's sinking fund commitments. Supplementary records are kept to substantiate the sinking fund component of such provision. Details are:—

	30.6.75.	30.6.76.
	\$	\$
Provision for depreciation and amortization	22,272,669	22,656,917
Sinking Fund	1,763,105	*1,936,476
Total Provision	24,035,774	24,593,393

\* Of the investments of the Board amounting to \$2,621,753 as at 30th June, 1976, investments to the sum of \$1,936,476 were accepted as being held on behalf of the Sinking Fund.

**MELBOURNE HARBOR TRUST.**

In the conduct of the audit of the accounts, the continuous checking of receipts and vouching of disbursements carried out by the Trust's auditors—a firm of chartered accountants—has been accepted.

The Trust's Revenue Accounts for the financial years 1974-75 and 1975-76 are shown in the following summary :—

	<i>Revenue.</i>						1974-75.	1975-76.
							\$	\$
Charges on Ships .. .. .	..	..	..	..	..	..	2,992,691	3,011,405
Charges on Goods .. .. .	..	..	..	..	..	..	13,031,869	16,470,465
Charges for Services—Cranes .. .. .	..	..	..	..	..	..	2,547,081	2,191,367
Charges for Services—Other .. .. .	..	..	..	..	..	..	1,243,841	1,187,649
Rents and Licence Fees from Lands .. .. .	..	..	..	..	..	..	3,555,297	4,395,795
Other Revenue.. .. .	..	..	..	..	..	..	785,585	661,618
<b>Total Revenue .. .. .</b>	..	..	..	..	..	..	<u>24,156,364</u>	<u>27,918,299</u>

*Expenditure and Provisions.*

Payment to the Consolidated Fund .. .. .	..	..	..	..	..	..	916,074	1,116,528
Operating Expenses .. .. .	..	..	..	..	..	..	6,825,216	7,126,951
Maintenance .. .. .	..	..	..	..	..	..	4,563,985	5,023,641
Interest on Loans .. .. .	..	..	..	..	..	..	3,088,225	3,715,468
Other Expenses .. .. .	..	..	..	..	..	..	2,208,003	2,222,860
Provision for Depreciation .. .. .	..	..	..	..	..	..	4,398,591	4,844,065
Provision for Insurance .. .. .	..	..	..	..	..	..	249,848	329,643
<b>Total Expenditure .. .. .</b>	..	..	..	..	..	..	<u>22,249,942</u>	<u>24,379,156</u>

*Appropriations.*

Sinking Fund .. .. .	..	..	..	..	..	..	650,000	1,000,000
General Reserve .. .. .	..	..	..	..	..	..	1,000,000	2,300,000
<b>Surplus .. .. .</b>	..	..	..	..	..	..	<u>256,422</u>	<u>239,143</u>

In addition to the provisions for depreciation and insurance appearing in the foregoing summary, the following provisions were made and absorbed in other expenditure accounts :—

	1974-75.	1975-76.
	\$	\$
Depreciation .. .. .	834,042	910,324
Insurance .. .. .	94,467	120,100
Superannuation Pensions .. .. .	450,000	650,000
Service Grant Gratuities .. .. .	85,000	100,000
Long Service Leave .. .. .	450,000	600,000
	<u>1,913,509</u>	<u>2,380,424</u>

The following statement, based on the balance-sheet, analyses the sources of funds available to the Trust up to 30th June, 1976, and the application thereof, and includes relative figures at 30th June, 1975 :—

30.6.75.	<i>Source of Funds.</i>					30.6.76.
\$						\$
	<b>External—</b>					
51,060,052	Loan Liability	..	..	..	..	56,017,642
7,678,923	Contributions to Capital Works	..	..	..	..	10,175,974
2,776,239	Sundry Creditors	..	..	..	..	3,622,466
542,397	Bank Overdraft	..	..	..	..	1,069,599
56,786	Trust Accounts	..	..	..	..	43,617
						70,929,298
	<b>Internal—</b>					
13,988,922	Capital Redemption Reserve	..	..	..	..	15,014,932
9,237,000	General Reserve	..	..	..	..	11,537,000
1,348,303	Depreciation Adjustment Reserve	..	..	..	..	3,083,584
4,382,002	Insurance Provision	..	..	..	..	4,586,465
2,422,923	Superannuation Accounts	..	..	..	..	2,629,905
39,815,155	Provision for Depreciation	..	..	..	..	43,212,653
72,922	Provision for Periodical Maintenance	..	..	..	..	63,000
1,773,954	Provision for Pensions and Gratuities	..	..	..	..	1,973,447
791,676	Provision for Long Service Leave	..	..	..	..	1,004,158
2,900,680	Sinking Fund	..	..	..	..	3,063,600
10,115,960	Revenue Account Balance	..	..	..	..	10,355,103
						96,523,847
148,963,894						167,453,145
	<i>Application of Funds.</i>					
138,461,141	Works of Construction and Plant (at cost)	..	..	..	..	153,570,111
2,753,780	Investments (at cost) and Cash	..	..	..	..	6,595,380
	<b>Current Assets—</b>					
1,360,416	Sundry Debtors	..	..	..	..	1,585,940
490,924	Advances for Housing	..	..	..	..	470,754
1,230,951	Materials in Stock (at cost)	..	..	..	..	1,414,527
						3,471,221
2,359,216	General Reserve Fund Investments (at cost) and Cash	..	..	..	..	1,709,216
2,250,680	Sinking Fund Investments (at cost) and Cash	..	..	..	..	2,063,600
56,786	Cash Held in Trust Accounts	..	..	..	..	43,617
148,963,894						167,453,145

## MELBOURNE UNDERGROUND RAIL LOOP AUTHORITY.

This Authority which was constituted under the provisions of the *Melbourne Underground Rail Loop Act* 1970 is charged with the duty of supervising and co-ordinating the planning, financing and construction of an underground rail loop and ancillary works. The Authority operated as from 1st February, 1971.

Provision is made in the legislation for operations to be financed from borrowings within Australia or overseas and from advances by the State, with a limit to the amount borrowed, at any time, of \$200,000,000. As at 30th June, 1976, loan liability amounted to \$92,523,367 in respect of authorized borrowings secured by inscribed stock guaranteed by the State and advances from Works and Services account. The Authority may also arrange temporary accommodation by way of bank overdraft or by such other means and to such limits as may be determined by the Treasurer. Repayment of any such temporary borrowing is guaranteed by the State.

The Act requires the Victorian Railways Board to pay to the Authority in each financial year such amount as is determined by the Treasurer. In respect of 1975-76, the Treasurer determined that the amount to be so paid was \$1,394,801 and this sum was received during the year.

The legislation provides that the Treasurer shall determine amounts required to be paid to the Authority each year for the purpose of defraying estimated administrative expenses and net loan redemption payments. The Melbourne and Metropolitan Board of Works and the City of Melbourne are each required to pay annually an amount equal to one-quarter of the Authority's administrative expenses and loan redemption payments, subject, as provided by the *Melbourne Underground Rail Loop (Amendment) Act* 1975, to the Board of Works payment not exceeding twenty per cent. of its metropolitan improvement rates receipts and the City of Melbourne payment not exceeding ten per cent. of its general rates receipts. The two bodies each paid the sum of \$1,260,775, which sums were applied to loan redemption payments.

The Act also requires the Treasurer to decide what proportion of the amount which he has determined shall be paid by the Victorian Railways Board—\$1,394,801 for 1975-76, as mentioned above—is to be applied towards administrative expenses and loan redemption payments. The Treasurer directed that the whole amount of \$1,394,801 be applied towards the loan redemption payments which he had determined at \$5,043,100 for the year 1975-76. As the sums received from the Melbourne and Metropolitan Board of Works, the City of Melbourne and the Victorian Railways Board totalled \$3,916,351 only, the difference of \$1,126,749 was paid to the Authority from Consolidated Fund in accordance with the provisions of the Act. In respect of administrative expenses, no amount was required to be applied from the Railways Board's payment or paid by the Melbourne and Metropolitan Board of Works and the City of Melbourne. Administrative expenses are being capitalized in the accounts of the Authority.

Capital expenditure for 1975-76 amounting to \$34,232,065 included payments for construction work, fees to the consulting engineers, and land acquisition expenses. At 30th June, 1976, there were compensation claims outstanding in respect of land acquired by the Authority and unpaid contract claims which had not been certified to by the consultant engineers. No provision has been made in the accounts of the Authority for these outstanding claims.

The financial position of the Authority as at 30th June, 1975, and 1976, is set out hereunder. Fixed assets in the financial statement are shown at cost.

30.6.75.		\$	30.6.76.	\$	\$
	<b>Fixed Assets—</b>				
42,473,585	Loop Development .. .. .		74,104,206*		
10,111,454	Land Acquisition .. .. .		12,693,480		
87,816	Plant .. .. .		99,937		
90,230	Office Furniture, Fittings and Equipment .. .. .		94,204		
3,286	Motor Vehicle .. .. .		6,609		
<u>52,766,371</u>					86,998,436
	<b>Current Assets—</b>				
12,680	Cash at Bank and on Hand .. .. .		66,548		
7,500,000	Investments—Short Term .. .. .		6,971,000		
266,443	Accrued Interest Receivable .. .. .		384,052		
147,928	Prepayments .. .. .		416,709		
1,704	Sundry Debtors .. .. .		..		
<u>7,928,755</u>			<u>7,838,309</u>		
	<b>Less Current Liabilities—</b>				
74,216	Bank Overdraft .. .. .		..		
1,102,550	Sundry Creditors .. .. .	307,487			
1,093,098	Accrued Interest Payable .. .. .	2,055,984			
7,665	Contractors' Deposits .. .. .	6,967			
..	Inscribed Stock Applications .. .. .	490,000	2,860,438		
<u>2,277,529</u>					4,977,871
5,651,226					
	<b>Investments—</b>				
167,886	Sinking Fund .. .. .				318,256
	<b>Intangibles—Capitalized Costs—</b>				
6,418,041	Administrative and Financial Expenses .. .. .				12,665,649
<u>65,003,524</u>					<u>104,960,212</u>

\* Includes \$2.9 million advance payments to contractors.

The assets and expenses of the Authority have been financed from the following sources :—

\$		\$	\$
	<b>External—</b>		
55,765,915	Loans—Secured by Inscribed Stock .. .. .	90,535,423	
1,994,234	Advances—Works and Services Account .. .. .	1,987,944	
<u>57,760,149</u>			92,523,367
	<b>Contributions—</b>		
	<b>Loan Redemption Payments—</b>		
1,920,539	Victorian Railways Board .. .. .	3,315,340	
1,220,349	City of Melbourne .. .. .	2,481,124	
1,220,349	Melbourne and Metropolitan Board of Works .. .. .	2,481,124	
520,156	Consolidated Fund .. .. .	1,646,905	
<u>4,881,393</u>			9,924,493
	<b>Administrative Expenses—</b>		
56,975	Victorian Railways Board .. .. .		56,975
	<b>Capital Works—</b>		
2,137,121	Victorian Railways Board .. .. .		2,137,121
	<b>Internal—</b>		
167,886	Sinking Fund Reserve .. .. .		318,256
<u>65,003,524</u>			<u>104,960,212</u>



## METROPOLITAN FIRE BRIGADES BOARD.

Under Section 48 of the *Metropolitan Fire Brigades Act 1958*, the Auditor-General is required to audit the accounts of all moneys received and disbursed by the Board.

The Board's revenue consists primarily of contributions from Fire Insurance Companies, Municipalities and the Consolidated Fund to meet the estimated annual expenditure of the Board, as provided under Sections 36 and 37 of the *Metropolitan Fire Brigades Act 1958*. In addition, brokers and owners are required to contribute where properties are insured with companies other than those licensed under Section 96 of the *Stamps Act 1958*.

The following statement, in which the figures relating to the financial year 1975-76 are subject to audit, shows receipts and disbursements for the past two years :—

	1974-75.		1975-76.	
	\$	\$	\$	\$
<i>Receipts.</i>				
<i>Statutory Contributions—</i>				
Fire Insurance Companies .. .. .	14,253,865		17,623,500	
Municipalities .. .. .	2,371,783		2,937,250	
Treasurer of Victoria (Consolidated Fund) .. .. .	2,376,125		2,937,250	
Brokers and Owners .. .. .	194,437		299,011	
	19,196,210		23,797,011	
Patrol Services, Testing and Inspecting Appliances .. .. .		1,516,324		1,844,080
Sale of Materials, Property and Plant .. .. .		160,248		225,967
Rents .. .. .		147,116		167,179
Interest on Investments .. .. .		249,561		358,138
Investments Matured .. .. .		600		..
Miscellaneous .. .. .		31,794		34,403
Balance carried forward to next year .. .. .	o/D	1,390,021	o/D	1,671,033
		22,691,874		28,097,811
<i>Disbursements.</i>				
Balance brought forward from previous year .. .. .	o/D	1,337,081	o/D	1,390,021
Salaries, Wages and Maintenance, &c. .. .. .		18,597,102		21,559,573
Superannuation Contributions and Staff Insurance Subsidies .. .. .		1,418,346		1,613,384
Purchases of Property, Plant and Equipment .. .. .		713,366		700,381
Interest on Loans .. .. .		223,416		267,286
Loan Repayments .. .. .		52,563		87,166
Short Term Investments (Net) .. .. .		350,000		2,480,000
		22,691,874		28,097,811

The accounts are periodically audited by a firm of Chartered Accountants appointed by the Board. These Auditors provide the Board with a certificate to the Balance Sheet and related statements. An abridged statement of assets and liabilities and funds of the Board as at 30th June, 1975, and 1976, is set out hereunder :—

30.6.75.							30.6.76.		
\$							\$		\$
<i>Current Assets—</i>									
218,784	Sundry Debtors .. .. .						246,037		
1,350,000	Investments—Short Term .. .. .						3,830,000		
422,564	Stock on Hand (at cost) .. .. .						601,325		
1,991,348							4,677,362		
<i>Fixed Assets—</i>									
9,704,225	Land and Buildings .. .. .						10,306,486		
550,159	Plant, Machinery and Equipment .. .. .						573,211		
1,876,509	Rolling Stock .. .. .						2,175,729		
12,130,893							13,055,426		
670,860	Investments—Long Term .. .. .						670,860		
14,793,101	Total Assets .. .. .						18,403,648		

\$							\$	\$	
	<i>Current Liabilities—</i>								
1,390,021	Cash Balance Overdrawn (net)	..	..	..	..	..	1,671,033		
4,595	Sundry Creditors	..	..	..	..	..	5,407		
<u>1,394,616</u>								<u>1,676,440</u>	
<u>3,683,370</u>	<i>Loan Liability</i>	..	..	..	..	..	..	4,296,204	
	<i>Funds—</i>								
3,496	Florant Reward Fund	..	..	..	..	..	3,661		
274,911	Motor Replacement Fund	..	..	..	..	..	139,125		
476,059	Plant and Building Fund	..	..	..	..	..	1,162,906		
10,217	Recreation and Education Fund	..	..	..	..	..	11,315		
401,814	Special Service Fund	..	..	..	..	..	641,775		
<u>1,166,497</u>								<u>1,958,782</u>	
6,244,483	Total Liabilities and Funds	..	..	..	..	..	..	7,931,426	
8,548,618	Excess of Assets over Liabilities	..	..	..	..	..	..	10,472,222	
<u>14,793,101</u>								<u>18,403,648</u>	

## MOTOR ACCIDENTS BOARD.

The *Motor Accidents Act* 1973 authorized the establishment of :—

- (i) the Motor Accidents Board, to provide for the payment of compensation to persons injured and to certain relatives of persons who die as the result of motor accidents ; and
- (ii) a Motor Accidents Tribunal, to decide appeals against decisions of the Board.

All expenses and compensation payments relating to accidents which occurred during the "Special Period", i.e. 12th February, 1974, to 13th May, 1974, are to be met from the "Special Account" established under the legislation. This Account is financed from statutory deductions from motor cycle and motor car third-party premiums which are to be appropriated to the Special Account during the three-year period beginning 12th February, 1974.

Expenses and compensation payments granted by the Board as the result of motor accidents in respect of which no liability accrues to the Special Account are met from the General Account. This latter Account is financed from funds provided by authorized insurers (as defined in the Motor Car Act) and from surcharges imposed by the Motor Car Act and payable by certain drivers on renewal of their driving licences.

The Board is empowered, under certain circumstances and pursuant to the provisions of Section 65 of the *Motor Accidents Act* 1973, to require the authorized insurers to pay to the Board certain sums determined by it. On 24th June, 1976, the Board made calls totalling \$15,368,667 on the authorized insurers.

Part only of the amounts called was paid by the authorized insurers and legal action is being taken to obtain payment of the balance, roundly \$9.5 million.

Pursuant to the provisions of Section 63 of the *Motor Accidents Act* 1973, a continuous audit of the income and expenditure of the Board is made by auditors appointed by the Board. Work done by the Board's appointed auditors has been accepted for the purpose of my audit.

Details of Income and Expenditure and the Board's Balance Sheets for the past two years are shown hereunder :—

SPECIAL ACCOUNT.		1974-75.	1975-76.
		\$	\$
1,831,352	Deductions from Third Party Premiums .. .. .		1,944,055
..	Interest earned on Short Term Deposits .. .. .		34,104
..	Medibank Receipts .. .. .		10,021
<u>1,831,352</u>			<u>1,988,180</u>
	<i>Less—</i>		
1,631,313	Benefits Paid .. .. .	431,140	
202,595	Administrative Expenses .. .. .	43,738	
<u>1,833,908</u>			<u>474,878</u>
(2,556)	Surplus for Period .. .. .		1,513,302
(274,910)	Deficit brought forward .. .. .		(277,466)
<u>(277,466)</u>	Balance at 30th June .. .. .		<u>1,235,836</u>
GENERAL ACCOUNT.			
23,700,000	Calls on Authorized Insurers (Note 1) .. .. .		16,346,844
44,009	Drivers' Licence Surcharges .. .. .		67,080
115,616	Interest earned on Short Term Deposits .. .. .		300,391
..	Medibank Receipts .. .. .		361,146
<u>23,859,625</u>			<u>17,075,461</u>
	<i>Less—</i>		
7,849,835	Benefits Paid .. .. .	15,056,022	
747,364	Administrative Expenses .. .. .	1,529,567	
<u>8,597,199</u>			<u>16,585,589</u>
15,262,426	Surplus for Period .. .. .		489,872
662,630	Surplus brought forward .. .. .		15,925,056
<u>15,925,056</u>	Balance at 30th June .. .. .		<u>16,414,928</u>

## BALANCE SHEET.

30.6.75.		30.6.76.
\$		\$
	Funds held by the Board—	
15,925,056	General Account .. .. .	16,414,928
(277,466)	Special Account .. .. .	1,235,836
<hr/>		<hr/>
15,647,590		17,650,764
	Represented by—	
	Current Assets—	
100	Cash on Hand .. .. .	100
..	Prepayments .. .. .	2,958
25,043	Sundry Debtors .. .. .	199,185
59,294	Third Party Premiums Deductions Due .. .. .	86,570
2,000,000	Short Term Deposits at Bank .. .. .	4,000,000
14,700,000	Unpaid Calls—Authorized Insurers (Note 1) .. .. .	14,706,749
<hr/>		<hr/>
16,784,437		18,995,562
	Less Current Liabilities and Provisions—	
905,731	Sundry Creditors and Accruals—(Note 2) .. .. .	1,442,204
354,137	Bank .. .. .	110,621
59,647	Provision for Long Service Leave .. .. .	83,586
<hr/>		<hr/>
1,319,515		1,636,411
<hr/>		<hr/>
15,464,922		17,359,151
	Fixed Assets (at cost)—	
45,000	Office Partitions .. .. .	50,000
30,591	Furniture and Fittings .. .. .	41,367
15,985	Office Equipment .. .. .	21,282
13,298	Motor Vehicles .. .. .	16,144
<hr/>		<hr/>
104,874		128,793
9,206	Less Provision for Depreciation .. .. .	18,180
<hr/>		<hr/>
95,668		110,613
<hr/>		<hr/>
87,000	E.D.P. Development Expenses (Note 3) .. .. .	181,000
<hr/>		<hr/>
15,647,590		17,650,764

## Notes to and forming part of the accounts for the year ended 30th June, 1976—

1. Calls on Authorized Insurers under Section 65 of the *Motor Accidents Act 1973*, include a Call of \$15,368,667 made on the 24th June, 1976 of which \$9,558,652 is unpaid at the time of signing the Balance Sheet. The Board intends to institute legal proceedings for recovery of these amounts.
2. Sundry Creditors and Accruals include an amount of \$1,280,162 being June benefits payable, paid in July.
3. E.D.P. Development Expenses represents expenditure of a capital nature on development and implementation of programs for the on line automatic claims processing system.
4. Medibank Receipts of approximately \$800,000 are expected in respect of Medical Expenses paid in the year ended 30th June, 1976.
5. Outstanding Benefits Liability.  
The liability for future benefits payable for accidents occurring up to and including 30th June, 1976, including unreported accidents, was determined from an examination of case files over a selected period. The outstanding benefits liability has been estimated to be :

	\$
Special Account .. .. .	382,919
General Account .. .. .	20,657,698

6. No deductions from Benefits were made in respect of Income Tax, and this issue is still not resolved and it may be necessary for this question to be decided by the Courts.

## PORTLAND HARBOR TRUST.

Pursuant to the provisions of the *Portland Harbor Trust Act 1958* the exclusive management and control of the Port of Portland is vested in the Commissioners of the Trust.

The Commissioners' statutory charter provides authority, also, for the erection and operation of a grain terminal at Portland. Operations of the terminal for the year resulted in a surplus of \$164,133 compared with a deficit of \$6,826 for the previous year.

The statement of revenue and expenditure and the abridged balance-sheet hereunder summarize the financial results of the whole of the operations of the Trust. After taking into consideration a State contribution of \$1,384,000 there was a surplus of \$218,136 on the year's operations. This compares with a deficit of \$178,273 in 1974-75.

Particulars of revenue and expenditure for the past two years are shown hereunder. The figures for 1975-76 are subject to audit.

1974-75.		1975-76.	
\$		\$	\$
	Operating Revenue—		
288,036	Wharfage Rates .. .. .	290,040	
47,612	Tonnage Rates .. .. .	49,099	
7,248	Slipway Charges and Licences .. .. .	7,235	
224,619	Shipping Services .. .. .	275,353	
57,402	Rent .. .. .	69,286	
417,420	Handling Charges, &c.—Grain Terminal .. .. .	760,299	
51,149	Cool Store Operations .. .. .	7,205	
645	Other .. .. .	663	
1,094,131			1,459,180
	Operating Expenditure—		
297,805	Administrative .. .. .	339,841	
166,935	Maintenance .. .. .	164,696	
300,151	Shipping Services .. .. .	409,014	
235,973	Grain Terminal Expenses (including Depreciation) .. .. .	383,793	
12,055	Depreciation—Harbor Works, &c. .. .. .	15,667	
35,114	Cool Store Expenses .. .. .	12,001	
1,048,033			1,325,012
46,098	Operating Surplus .. .. .		134,168
	Non-operating Revenue—		
21,587	Interest .. .. .		4,919
67,685			139,087
	Non-operating Expenditure—		
1,219,922	Loan Interest .. .. .	1,304,732	
36	Loan Flotation Expenses, &c. .. .. .	219	
1,219,958			1,304,951
1,152,273	Excess of Expenditure over Revenue .. .. .		1,165,864
974,000	Contribution by State from the Consolidated Fund for maintenance of port facilities and for other purposes .. .. .		1,384,000
	Surplus for year .. .. .		218,136
178,273	Deficit for year .. .. .		..
159,795	Accumulated Deficit at end of previous year .. .. .	489,919	
53,764	Sinking Fund Provision .. .. .	55,069	
98,087	Redemption of Loans .. .. .	102,987	647,975
489,919	Accumulated Deficit at end of year .. .. .		429,839

Loan interest shown in the above statement relates only to the interest payable in respect of inscribed stock and debentures issued by the Trust. Section 30 of the *Portland Harbor Trust Act* 1958 requires the Trust to meet interest charges and National Debt Sinking Fund contributions in respect of advances which have been made by the Treasurer, but so far the Treasurer has approved of payment of these amounts being deferred. At 30th June, the amounts so deferred were interest, \$3,263,773, and National Debt Sinking Fund contributions, \$373,352.

The following is an abridged statement of the Trust's balance-sheet :—

30.6.75.		30.6.76.
\$		\$      \$
320,090	Current Liabilities .. .. .	370,052
	Deferred Liabilities—	
10,000	Treasury Advance .. .. .	10,000
22,786,796	Loan Liability .. .. .	23,383,809
63,869	Provision for Long Service Leave .. .. .	90,164
112,496	Other .. .. .	148,517
22,973,161		23,632,490
	Funds of the Trust—	
26,384	Endowments .. .. .	24,692
1,399,896	Sinking Fund .. .. .	1,555,031
752,204	Loans Redeemed Reserve .. .. .	855,191
2,178,484		2,434,914
489,919	Less—Accumulated Deficit .. .. .	429,839
1,688,565		2,005,075
24,981,816		26,007,617
	Current Assets—	
15,316	Cash .. .. .	24,226
166,161	Stores .. .. .	230,798
254,392	Other .. .. .	342,159
		597,183
2,477,641*	Investments .. .. .	2,682,226*
	Fixed Assets—	
20,263	Property Vested ( <i>less</i> Written Off) .. .. .	11,379
65,549	Other ( <i>less</i> Depreciation) .. .. .	84,957
19,501,176	Harbor Construction Works and Plant ( <i>less</i> Depreciation) .. .. .	20,185,768
2,481,318	Grain Terminal Construction Works and Plant ( <i>less</i> Depreciation) .. .. .	2,446,104
		22,728,208
24,981,816		26,007,617

\* Includes investments on account of Sinking Fund.

Loan Liability at 30th June, 1976, comprised advances from the Treasurer, \$3,672,900, (including \$24,900 discount and expenses on loans) and \$19,710,909 raised by the Trust by the issue of Inscribed Stock and Debentures.

Deferred Liabilities do not include the amount of \$3,263,773, interest accrued on advances from the Treasurer.

Investments, \$2,682,226, include funds not immediately required by the Trust and lodged with the Trust's bankers either for a fixed period or at call, and specific investments on account of funds and provisions.

Moneys equivalent to the amount of the Sinking Fund are invested in suitable securities.

## PUBLIC TRUSTEE.

The powers and duties of the Public Trustee are prescribed by the *Public Trustee Act 1958*. Funds of the estates administered by him do not form part of the Public Account, and all receipts are paid into a Common Fund controlled by the Public Trustee as authorized by the Act. The statement below shows the composition of the Common Fund at 30th June, 1975, and 1976.

	30. 6. 75.	30. 6. 76.
	\$	\$
Estates—Mental Patients, Deceased Persons, Trusts and Agencies .. .. .	36,027,768	42,140,632
Moneys held in Trust for Minors .. .. .	2,485,016	2,940,033
Unclaimed Moneys .. .. .	1,720,442	1,871,397
Estates Guarantee and Reserve Account.. .. .	1,958,482	2,274,508
Maintenance Fund .. .. .	167,101	151,588
Interest Reserve .. .. .	390,000	600,000
Suspense—Amounts pending allocation or adjustment .. .. .	Dr. 1,114	15,819
Building Depreciation Account .. .. .	14,841	20,376
	<u>42,762,536</u>	<u>50,014,353</u>

The Common Fund was invested as follows :—

	30. 6. 75.	30. 6. 76.
	\$	\$
Inscribed Stock .. .. .	5,759,600	5,613,600
Bank Deposit Stock and Special Deposits .. .. .	1,846,909	6,959,972
Loans to Municipal and other Statutory Bodies .. .. .	3,900,523	3,875,072
Mortgages .. .. .	27,810,134	29,993,981
Loan to Co-operative Housing Society .. .. .	32,204	19,204
Cash at Bank and in Hand .. .. .	195,660	303,133
Land and Buildings .. .. .	3,217,506	3,249,391
	<u>42,762,536</u>	<u>50,014,353</u>

In addition to the funds held as the Common Fund, the Public Trustee had under his control, in respect of estates in the course of administration, real estate and other unrealized assets of a substantial value, and specific investments in government and semi-government securities which amounted to \$1,346,624 at 30th June, 1976.

The *Public Trustee (Amendment) Act 1971* empowered the Public Trustee to apply moneys from the Common Fund, to a maximum of \$5,000,000, to purchase land and buildings for use by him in connection with his duties, powers or functions under the Public Trustee Act. To 30th June, 1976, a sum of \$3,249,391 had been so applied.

The Public Trustee is required to establish a Building Operations Account and a Building Depreciation Account in respect of the investment in land and buildings. Gross rentals, \$496,094, were credited to the Building Operations Account for the year. After debiting operating expenses of \$85,546 in respect of the land and building at 168 Exhibition Street, Melbourne, and paying \$4,690 into the Building Depreciation Account, the balance of \$405,858 was transferred to the Interest Suspense Account, in terms of sub-section 8 of Section 56A of the Act.

Interest received from the investment of moneys forming part of the Common Fund is required by the Act to be paid into the Interest Suspense Account. From this Account there is payable in each year :—

- (i) to the credit of the respective estates represented in the Common Fund, interest at rates determined from time to time by the Public Trustee ; and
- (ii) such amount as the Public Trustee deems necessary for credit to the Estates Guarantee and Reserve Account for the purpose of meeting certain contingencies including losses which might arise on the sale of investments of the Common Fund.

At the end of the financial year, any remaining credit in the Interest Suspense Account is payable to the Consolidated Fund towards administrative costs.

Operations through the Suspense and Reserve Accounts for the financial years 1974-75 and 1975-76 were :—

1974-75.		INTEREST SUSPENSE ACCOUNT.		1975-76.	
\$				\$	\$
3,392,856	Income from investments .. .. .	..	..	4,430,385	
362,403	Transfer from Building Operations Account .. .. .	..	..	405,858	
<u>3,755,259</u>					<u>4,836,243</u>
	Appropriations—				
2,272,262	Interest allocated to estates .. .. .	..	..	2,797,841	
390,000	Provision for interest payable to estates .. .. .	..	..	600,000	
125,686	Estates Guarantee and Reserve Account .. .. .	..	..	135,000	
*967,311	Consolidated Fund .. .. .	..	..	1,303,402	
<u>3,755,259</u>					<u>4,836,243</u>

\*Not credited in Treasury until 1975-76.

		ESTATES GUARANTEE AND RESERVE ACCOUNT.			
1,715,809	Balance at 1st July .. .. .	..	..	1,958,482	
141,590	Interest credited on balance .. .. .	..	..	181,336	
125,686	Transfer from Interest Suspense Account .. .. .	..	..	135,000	
<u>1,983,085</u>					<u>2,274,818</u>
100	Less Legal costs and other expenses .. .. .	..	..	310	
24,503	Transfer to Building Operations Account .. .. .	..	..	..	310
<u>1,958,482</u>	Balance at 30th June .. .. .	..	..	2,274,508	

The Public Trustee deemed it necessary in 1975-76 to supplement the funds available in the Estates Guarantee and Reserve Account by an allocation of \$135,000 from the Interest Suspense Account. Moneys standing to the credit of this Reserve Account are invested as part of the Common Fund and the Account is credited with a share of the earnings of the Fund.

#### CONSOLIDATED FUND OPERATIONS.

Receipts from the management of estates by way of fees and commission, as well as the interest contribution already mentioned, are paid into the Consolidated Fund, from which operating expenses are met. On this basis, the net result of operations for the year was a surplus of \$307,051 compared with a surplus of \$143,416 in the preceding year. Particulars are :—

1974-75.		1975-76.	
\$		\$	\$
	<i>Receipts—</i>		
996,438	Fees and Commission .. .. .	1,259,290	
967,311	Surplus—Interest Suspense Account .. .. .	1,303,402	
<u>1,963,749</u>			<u>2,562,692</u>
	<i>Less Payments—</i>		
1,510,893	Salaries, pay in lieu of long service leave, overtime and payroll tax ..	1,901,097	
3,000	Publicity .. .. .	3,200	
240,171	Rent .. .. .	279,512	
66,269	Other Expenses (net) .. .. .	71,832	
<u>1,820,333</u>			<u>2,255,641</u>
143,416	Surplus for the year .. .. .	..	307,051

The Public Trustee also collects amounts from various sources on account of the Consolidated Fund, including probate duty on estates administered by him and amounts on account of maintenance of certain patients in public mental hospitals.



Amounts paid by the Public Trustee to Consolidated Fund and to Treasury Trust from all sources during the last three years were :—

	1973-74.	1974-75.	1975-76.
Consolidated Fund—	\$	\$	\$
Fees and Commission .. .. .	828,178	996,438	1,259,290
Probate Duty .. .. .	899,744	1,744,645	1,382,097
Surplus from Interest Suspense Account.. .. .	745,658	967,311	1,303,402
Maintenance—Patients in Mental Hospitals .. .. .	74,703	75,016	80,118
Stationery, Postages recouped .. .. .	23,348	31,847	54,436
Sundry Receipts .. .. .	30,012	20,173	35,078
	<u>2,601,643</u>	<u>3,835,430</u>	<u>4,114,421</u>
Treasury Trust Fund—			
Unclaimed Moneys .. .. .	952,979	112,998	169,752

The above remittances for 1974-75 include the following amounts not brought to account in the Treasury until the financial year 1975-76 :—

	\$
Consolidated Fund.. .. .	1,049,879
Treasury Trust Fund .. .. .	112,998

Mention has been made in previous Reports of a review of the accounting system being undertaken by the Organization and Methods Section of the Public Service Board and a firm of public accountants. Alterations to the system include the installation of visual record computer equipment. Problems associated with its introduction have still to be overcome.

## RURAL FINANCE AND SETTLEMENT COMMISSION.

The Commission administers several Acts and appropriate particulars as to its financial authority and operations under each of these Acts are furnished below.

### THE RURAL FINANCE ACT 1958.

#### *Loans under Part III. of Act.*

In accordance with the provisions of this Part, the Commission makes advances by way of loan, at the lowest possible rates of interest, to existing or proposed country industries, both primary and secondary. In these terms, loans made during the year amounted to \$3,565,903. At the close of the year, \$31,283,419 was held by borrowers of which \$23,603,133 was held in respect of primary industries and \$7,680,286 on account of secondary industries.

#### *Advances under Part IV. of Act.*

Under this Part, the Commission is empowered to advance moneys to or for the benefit of any farmer for the purpose of carrying into effect a composition or scheme of arrangement between the farmer and his creditors. Any such advance is made from the Rural Rehabilitation Fund established pursuant to the provisions of Section 48 of the Act.

Repayments of advances are credited to the Fund but any interest payable on an advance forms part of the Commission's income. Interest from this source included in the year's revenue totalled \$4,280.

The Rural Rehabilitation Fund is held in the Treasury. The position of the Fund is summarized hereunder :—

	\$	\$
Grants from Commonwealth Government .. .. .	.. .. .	4,784,000*
<i>Add</i> Amounts received from farmers to 30th June, 1975 .. .. .	7,106,360	
Repayments of advances, 1st July, 1975, to 30th June, 1976 .. .. .	23,686	
	7,130,046†	
		11,914,046
<i>Less</i> Payments <i>re</i> debt adjustment to 30th June, 1976 .. .. .	7,285,577	
Amount transferred to Rural Reconstruction Scheme 1971 .. .. .	4,627,997	
	11,913,574	
Unexpended balance 30th June, 1976 .. .. .	.. .. .	472

\* Of the advances from this amount, \$102,549 (net) has been written off as bad debts.

† Includes mortgage interest \$19,404 received prior to 26th April, 1950.

*Annual Statements of Accounts.*

As required by the relevant legislation, the Commission has prepared a Profit and Loss Account for the financial year ended 30th June, 1976, and a balance-sheet as at that date in respect of its operations under Parts III. and IV. of the Act. Comparative details for the past two years are summarized hereunder :—

1974-75.	INCOME.						1975-76.	
\$							\$	\$
2,248,219	Interest .. .. .	..	..	..	..	..	2,458,201	
41,445	Application and Legal Fees .. .. .	..	..	..	..	..	57,354	
<u>2,289,664</u>							<u>2,515,555</u>	
	EXPENDITURE AND PROVISIONS.							
540,572	Administration .. .. .	..	..	..	..	..	482,249	
1,557,594	Interest on Loan Indebtedness .. .. .	..	..	..	..	..	1,642,900	
133,348	Interest on Redeemed Securities .. .. .	..	..	..	..	..	146,348	
<u>2,231,514</u>							<u>2,271,497</u>	
58,150	Operating Profit for Year .. .. .	..	..	..	..	..	244,058	
	<i>Add—</i>							
568,265	Interest on Investments .. .. .	..	..	..	..	..	420,736	
..	Surplus on Sale of Residences, &c. .. .. .	..	..	..	..	..	31,916	
<u>626,415</u>							<u>696,710</u>	
	<i>Less—</i>							
70,698	National Debt Sinking Fund—Contribution .. .. .	..	..	..	..	..	70,698	
4,488	Discounts and Expenses on Loans .. .. .	..	..	..	..	..	2,293	
277,888	Provision for Doubtful Debts .. .. .	..	..	..	..	..	107,335	
<u>353,074</u>							<u>180,326</u>	
273,341	Surplus Transferred to Profit and Loss Appropriation Account .. .. .	..	..	..	..	..	516,384	
	PROFIT AND LOSS APPROPRIATION ACCOUNT.							
24,271	Balance 1st July .. .. .	..	..	..	..	..	<i>Dr.</i> 56,241	
273,341	<i>Add</i> Surplus as above .. .. .	..	..	..	..	..	516,384	
<u>297,612</u>							<u>\$ 460,143</u>	
1,418,303	Administration Costs .. .. .	..	..	..	..	..	1,712,292	
1,064,450	<i>Less</i> Recouped Administration Costs .. .. .	..	..	..	..	..	1,735,151	
353,853	Administration Costs not Recouped .. .. .	..	..	..	..	..	..	
..	Administration Costs over Recouped .. .. .	..	..	..	..	..	22,859	
	Appropriation Loan Equalisation Reserve .. .. .	..	..	..	..	..	483,002	
..							400,000	
56,241 <i>Dr.</i>	Balance 30th June .. .. .	..	..	..	..	..	83,002	
	At 30th June, 1975 and 1976, funds available to the Commission were :—							
30.6.75.							30.6.76.	
\$							\$	\$
28,080,934	Loan Funds—							
	Loan Liability—Treasurer of Victoria (net) .. .. .	..	..	..	..	..	30,029,202	
	Other Funds—							
3,865	Advances <i>Farmers Debts Adjustment Act</i> 1943—Treasurer of Victoria .. .. .	..	..	..	..	..	3,433	
81,575*	Funds provided by Grant under Commonwealth's <i>Loan (Farmers' Debt Adjustment) Act</i> 1935 .. .. .	..	..	..	..	..	*53,544	
19,404	Interest on Mortgages prior to 26th April, 1950 .. .. .	..	..	..	..	..	19,404	
							<u>76,381</u>	
262,174	Trust Account—Amounts in suspense .. .. .	..	..	..	..	..	260,770	
61,098	Sundry Creditors .. .. .	..	..	..	..	..	63,853	
3,265,067	Reserve—National Debt Sinking Fund (including Commonwealth contributions) .. .. .	..	..	..	..	..	3,552,489	
161,957	Provision for Long Service Leave .. .. .	..	..	..	..	..	153,190	
2,463,452	Provision for Superannuation .. .. .	..	..	..	..	..	2,828,429	
633,214	Provision for Doubtful Debts .. .. .	..	..	..	..	..	740,549	
1,630,000	Loan Equalization Account .. .. .	..	..	..	..	..	2,030,000	
1,167,930	General Reserve .. .. .	..	..	..	..	..	1,266,804	
56,241 <i>Dr.</i>	Profit and Loss Appropriation Account .. .. .	..	..	..	..	..	83,002	
<u>37,774,429</u>							<u>41,084,669</u>	

\* Excludes \$102,549 (net) bad debts written off.

The funds shown in the preceding statement were represented by the following assets :—

30. 6. 75.		30. 6. 76.
\$		\$            \$
	<b>Loans and Advances—</b>	
31,447,215	Loans under Part III.— <i>Rural Finance Act 1958</i> .. .. .	31,283,419
100,171	Advances under <i>Farmers Debts Adjustment Act 1935</i> , and Part IV.— <i>Rural Finance Act 1958</i> .. .. .	75,908
20,765	Contracts of Sale .. .. .	13,540
		<hr/>
		31,372,867
1,032,711	Interest Due and Accrued .. .. .	1,045,931
	<b>Cash at Treasury, &amp;c.—</b>	
4,673	Rural Rehabilitation Fund .. .. .	472
12,896	National Debt Sinking Fund .. .. .	13,759
		<hr/>
		14,231
	<b>Fixed Assets—</b>	
48,552	Furniture and Office Equipment <i>less</i> Depreciation ..	33,913
55,504	Motor Cars <i>less</i> Depreciation .. .. .	52,709
105,886	Residences and Offices .. .. .	92,509
		<hr/>
		179,131
13,806	Charges paid in Advance .. .. .	11,570
	<b>Cash—</b>	
110,394	At Bank and in hand .. .. .	61,005
1,244,106	At call .. .. .	4,246,421
		<hr/>
		4,307,426
3,577,750	Investment Pool (at cost) on account of Provisions and General Reserve .. .. .	4,153,513
<hr/>		<hr/>
37,774,429		41,084,669
		<hr/>

#### *Government Agency Department.*

Under Section 35 of the Rural Finance Act, the Treasurer is empowered to direct the Commission to take charge of the administration of any money provided from the Public Account for any special purpose. The Commission is required to establish an Agency Department to give effect to any such direction. Comments on the operations in this Department follow.

*Drought Relief.*—Funds have been provided by the State and the Commonwealth for loans and advances to assist farmers affected by the drought in the years 1967 and 1968. Receipts and payments during the year were :—

Receipts—	\$
Balance—1st July, 1975 .. .. .	1,078,024
Principal repayments .. .. .	141,053
Interest .. .. .	16,768
	<hr/>
	1,235,845
	<hr/>
Payments—	
Repayments re-advanced .. .. .	11
Administration costs .. .. .	17,825
Repaid to Commonwealth .. .. .	725,311
Balance—30th June, 1976 .. .. .	492,698
	<hr/>
	1,235,845
	<hr/>

*Flood Relief*—During 1974–75, the Commonwealth agreed to make funds available to provide loans to those farmers whose properties were flooded and who were unable to borrow through normal sources. The loans were for carry-on purposes such as transport of fodder, agistment, and for the restoration of structural improvements excluding dwellings. At 30th June, 1976, \$425,000 had been drawn from these funds through the Victorian Natural Disasters Relief Account which is kept at the Treasury as part of the Trust Fund.

Receipts and payments for the year were :—

	\$
<i>Receipts</i>	
Balance 1st July, 1975 .. .. .	147,338
Trust Fund—Victorian Natural Disasters Relief Account .. .. .	425,000
Repayment of—Principal .. .. .	100,760
Interest .. .. .	19,560
	692,658
<i>Payments</i>	
Refund to Treasury .. .. .	61,660
Loan advances .. .. .	387,785
Repayments Re-advanced .. .. .	21,460
Freight Subsidies .. .. .	1,542
Administration .. .. .	19,560
Balance 30th June, 1976—Repayments .. .. .	112,798
Advances .. .. .	87,853
	692,658

*Dairy Adjustment Program*.—The Commonwealth's *Dairy Adjustment Act* 1974, which came into operation on 17th December, 1974, repealed the *Marginal Dairy Farms Agreements Act* 1970–1974 and incorporated all agreements in force pursuant to that Act under the new Act. It also provided for a new agreement by which payments will be made by the Commonwealth to the State for the purposes of carrying out a dairy adjustment program.

Under this program, the owners of uneconomic dairy farms may dispose of their land to the State. The State may then dispose of the land at current market value to encourage the most practicable and economic use of the land. Loans may also be made to owners of uneconomic dairy farms for the purpose of—

- (a) converting farms to rural use other than dairying ;
- (b) purchasing improvements ;
- (c) developing farms to a reasonable level of income ;
- (d) carry-on purposes during period of development ; and
- (e) acquiring adjoining land and developing it.

Interest free loans may also be made available to meet costs of installation of refrigerated vats for storage and of improvements that are required to enable the stored milk to be collected.

The sum of \$10,065,000 was made available in 1975–76 by the Commonwealth as financial assistance under this program and the *Marginal Dairy Farms Reconstruction Scheme*. Total advances provided by the Commonwealth to 30th June, 1976, amounted to \$16,127,800.

Receipts and payments for the year were :—

	\$	\$
<i>Receipts—</i>		
Balance—1st July, 1975 .. .. .		912,253
Commonwealth .. .. .		10,065,000
Deposits and Principal Repayments .. .. .		655,699
Interest received from Borrowers .. .. .		234,887
Interest received from Investments .. .. .		27,536
		11,895,375
<i>Payments—</i>		
Dairy Adjustment Program Interest Reimbursements .. .. .		45,007
Dairy Adjustment Program Advances and Purchases .. .. .		10,599,795
Principal Repayments to Commonwealth .. .. .		319,082
Interest paid to Commonwealth .. .. .		15,989
Investments .. .. .		261,787
Administrative Costs .. .. .		325,663
Balance—30th June, 1976—Advances .. .. .	327,447	
Repayments .. .. .	605	
	328,052	11,895,375

*Rural Reconstruction Scheme 1971.*—During the year a further sum of \$6,700,000 was made available by the Commonwealth as financial assistance towards the Rural Reconstruction Scheme 1971, established under the terms of the Commonwealth–State Agreement made under the provisions of the Commonwealth's *States Grants (Rural Reconstruction) Act 1971*. As from 1st July, 1973, the conditions of this agreement were varied and the period during which financial assistance is to be provided was extended by a supplementary agreement made under the provisions of the Commonwealth's *States Grants (Rural Reconstruction) Act 1973*.

The purpose of the scheme is to provide assistance by way of loans to farmers for farm build-up, for debt reconstruction or for rehabilitation by means of limited financial assistance to certain farmers obliged to leave the farming industry.

In addition, a sum of \$102,000 was made available in 1975–76 under this scheme for assistance specifically to the fruit growing industry in accordance with the provisions of the Commonwealth's *States Grants (Fruit-Growing Reconstruction) Act 1972*. The purpose of this aspect of the scheme is to provide compensation to farmers obliged to abandon fruit growing because their farms are not economic units.

Receipts and payments during the year were:—

Receipts—	\$
Balance—1st July, 1975 .. .. .	305,598
Commonwealth Grants—Rural Reconstruction .. .. .	6,700,000
Fruit Growers Compensation .. .. .	102,000
Transfer from Rural Rehabilitation Fund .. .. .	27,888
Principal Repayments and Deposits .. .. .	3,004,033
Interest received from Borrowers .. .. .	1,824,633
Interest received from Investments .. .. .	749,866
	12,714,018

Payments—	\$	\$
Fruit Growers Supplementary Grant .. .. .		500
Fruit Growers Compensation .. .. .		145,520
Debt reconstruction loans .. .. .		1,898,256
Debt reconstruction loan repayments readvanced .. .. .		20,934
Farm build-up loans .. .. .		4,277,883
Farm build-up loan repayments readvanced .. .. .		48,989
Rehabilitation loans .. .. .		3,550
Principal to Commonwealth .. .. .		388,472
Interest to Commonwealth .. .. .		1,653,943
Investments .. .. .		2,751,110
Reimbursement to Rural Finance and Settlement Commission .. .. .		343,720
Administrative Costs .. .. .		925,000
Balance 30th June, 1976—Advances .. .. .	241,693	
Repayments .. .. .	14,448	256,141
		12,714,018

*Beef Industry Relief Assistance.*—The Commonwealth's *States Grants (Beef Industry) Act 1975*, which came into operation on 20th June, 1975, provided for grants to be made to the State on a one-for-one basis for the purpose of making loans to competent beef producers in need of additional finance. The maximum loan was to be \$10,000 to any such producer. Receipts and payments for the year were:—

Receipts—	\$
Balance 1st July, 1975 .. .. .	975,515
State—Works and Services Account .. .. .	100,000
Commonwealth Advances .. .. .	1,163,800
	2,239,315
<i>Less Payments—</i>	
Advances to beef producers .. .. .	2,177,228
Balance 30th June, 1976 .. .. .	62,087

*Other Agency Operations—*

Receipts and payments in respect of other operations of the Agency Department for the year are :—

	\$	\$
<b>Receipts—</b>		
Balance 1st July, 1975 .. .. .	..	33,653
Commonwealth Advance .. .. .	1,705,845	
Treasurer of Victoria—		
Works and Services Account .. .. .	2,375,845	
Vote .. .. .	60,000	4,141,690
<b>Borrowers—</b>		
Repayments of Principal .. .. .	1,295,211	
Interest on Advances .. .. .	386,819	1,682,030
		<u>5,857,373</u>
<b>Less Payments—</b>		
Advances—Primary and Secondary Industry .. .. .	4,070,285	
Treasurer of Victoria—Instalments of Principal and Interest .. .. .	927,342	
Principal and Interest from S.P.C. .. .. .	754,688	
Freight, Fodder and other Subsidies .. .. .	93,658	5,845,973
		<u>11,400</u>
Balance 30th June, 1976 .. .. .	..	..

Included in the receipts shown above are advances to a total of \$3,411,690 made pursuant to the *States Grants (Fruit Canneries) Act 1976* on an equal-share basis by the Commonwealth and the State for purposes of financial assistance to Fruit Canneries.

## SOLDIER SETTLEMENT ACT 1958.

The Soldier Settlement Act authorized the borrowing of \$130,000,000 for the purpose of a land settlement scheme for eligible ex-servicemen and for advances to discharged servicemen to assist them in the purchase of individually selected farms (single units).

In the period from the inception of the Soldier Settlement Scheme in the year 1945-46 to 30th June, 1976, a sum of \$131,277,173 has been allocated for soldier settlement. Of this sum, \$116,879,767 has been made available from State loan moneys and \$14,397,406 by the Commonwealth in the nature of special assistance loans.

According to the books of the Commission, its loan liability on account of soldier settlement at 30th June, 1976, was \$27,879,831.

With the exception of \$2,290,119 paid to the Commonwealth as part redemption of its special assistance loans, repayments by settlers and receipts of a capital nature have been credited to the Consolidated Fund. During 1975-76, \$1,609,756 was so credited, bringing the total repayments to 30th June, 1976, to \$78,229,632.

Principal assets of the Commission at 30th June, 1976, were :—

	\$
Land and improvements held by settlers under purchase lease .. .. .	22,107,522
Advances to finance single unit farms .. .. .	4,427,059
Advances to effect improvements and for purchase of stock, &c. .. .. .	3,861
Unpaid balances under contracts of sale .. .. .	673

In respect of Soldier Settlement, the Commission's Profit and Loss account for 1975-76 shows :—

	\$	\$
<i>Expenditure—</i>		
Interest .. .. .	1,917,557	
Less Interest transferred and borne by the State .. .. .	866,797	
	<hr/>	
Administrative Costs .. .. .	1,050,760	
	246,313	
	<hr/>	1,297,073
<i>Income—</i>		
Interest earned .. .. .	560,444	
Rents, Fees and Sundries .. .. .	1,736	
	<hr/>	562,180
Deficit for 1975-76 .. .. .	..	<hr/> <hr/> 734,893

The total accumulated deficit to 30th June, 1976, amounted to \$29,471,898. This deficit is almost wholly caused by remissions of rent and interest; the difference between the concessional rate of interest at 2 per cent. charged to settlers as fixed by the Act and the current rates payable on Government loans; the costs and expenses of raising the loans; and the cost of administration of the scheme. The aggregate concessions granted towards the settlement of discharged servicemen by this State to the 30th June, 1976, have been calculated by the Commission to be \$30,316,921.

In addition to land settlement, the Soldier Settlement Commission, by agreement with the Commonwealth Director of War Service Land Settlement, undertook the administration of re-establishment loans under the Commonwealth *Re-establishment and Employment Act* 1945. From 1st July, 1946, the administration of agricultural allowances under the same Act was taken over from the Repatriation Commission. Expenditure incurred in respect of these functions is being reimbursed from time to time by the Commonwealth.



## LAND SETTLEMENT ACT 1959.

The *Land Settlement Act* 1959, as amended by the *Land Settlement (Financial) Act* 1970, provides for the application from the Works and Services Account of amounts not exceeding in the aggregate \$40,000,000 for a land settlement scheme which was to be open, in terms of the Act, to applications by all adult British subjects. From its inception in 1959–60 to the close of the year under review, a sum of \$38,062,961 has been allocated for the purposes of the scheme. According to its books, the Commission's loan liability on account of land settlement, as at 30th June, 1976, was \$24,075,108—a reduction of \$13,987,853, made up as hereunder :—

	To 30.6.75.	1975–76.	Total.
	\$	\$	\$
Settlers' repayments to the Consolidated Fund .. .. .	8,942,451	1,262,675	10,205,126
Borne by the State pursuant to Section 41 .. .. .	3,782,727	..	3,782,727
	<u>12,725,178</u>	<u>1,262,675</u>	<u>13,987,853</u>

Assets of the Commission at 30th June, 1976, were :—

	\$	\$
Estates purchased and developed not yet disposed of .. .. .	..	10,885,642
Unpaid balances under contracts of sale .. .. .	..	73,361
Land and improvements held under purchase lease—Division 4 .. .. .	..	12,663,349
Advances to settlers—Division 6 .. .. .	..	96,217
Land and improvements under mortgage—Division 4 .. .. .	..	1,148,862
Capital expenses not allocated to estates .. .. .	..	135,865
Interest and rents due and accrued .. .. .	..	157,205
Other assets—		
Buildings and working plant at cost <i>less</i> depreciation .. .. .	136,680	
Plant, materials, services and expenses not yet allocated .. .. .	526,528	
Livestock .. .. .	527,566	
		<u>1,190,774</u>
		<u>26,351,275</u>

The Profit and Loss Account for the year ended 30th June, 1976, excluding livestock transactions, shows :—

	\$	\$
<i>Expenditure—</i>		
Interest and Loan-raising Expenses .. .. .	..	1,601,918
<i>Less</i> Interest Capitalized .. .. .	203,807	
„ Interest transferred and borne by the State under Section 41 .. .. .	222,554	
		<u>426,361</u>
		1,175,557
Administrative Costs .. .. .	..	295,067
		<u>1,470,624</u>
<i>Income—</i>		
Interest earned, agistment, &c. .. .. .	..	587,983
		<u>882,641</u>
<i>Deficit</i> .. .. .	..	..

The accumulated deficit to 30th June, 1976, before taking into account profits from livestock trading, amounted to \$7,041,706. This deficit is almost wholly caused by remissions of rent and interest, the difference between the concessional rate of interest at 4 per cent. charged to settlers as fixed by the Act and the rates payable on Government loans, the costs and expenses of raising the loans and the cost of administration of the scheme.

For the year, trading in livestock showed a loss of \$71,015, (1975, a loss of \$649,806), thereby reducing the accumulated profit from this activity to \$694,682 at 30th June, 1976.

## RURAL FINANCE AND SETTLEMENT INSURANCE FUND.

The Rural Finance and Settlement Insurance Fund was established pursuant to the provisions of Section 29 of the *Rural Finance and Settlement Commission Act 1961*.

The income and expenditure of the Fund for the year are shown below :—

	\$	\$
<i>Income—</i>		
Balance at 1st July, 1975 .. .. .		1,680,187
Premiums Raised 1975-76 .. .. .	271,469	
Interest on Investments .. .. .	146,703	
	<u>          </u>	418,172
Total Income .. .. .		2,098,359
<i>Expenditure—</i>		
Current Claims admitted—1975-76 .. .. .	119,424	
Administration Expenses .. .. .	91,383	
Statutory contribution to Country Fire Authority .. .. .	84,824	
	<u>          </u>	295,631
Balance at 30th June, 1976 .. .. .		<u>1,802,728</u>

The balance of the Fund at the close of the year was represented by :—

	\$	\$
Investments—Inscribed Stock, &c. held in Common Pool .. .. .	1,806,821	
Accrued Interest .. .. .	38,737	
Arrears of Premium .. .. .	25,990	
Cash at Bank .. .. .	2,550	
	<u>          </u>	1,874,098
<i>Less—</i>		
Claims Admitted but not Paid .. .. .	64,385	
Provision for Stamp Duty .. .. .	6,985	
	<u>          </u>	71,370
		<u>1,802,728</u>

## STATE SUPERANNUATION BOARD OF VICTORIA.

By legislative direction, the State Superannuation Board of Victoria is responsible for the administration of the Superannuation Fund, the Pensions Supplementation Fund, the Married Women's Superannuation Fund and the Parliamentary Contributory Superannuation Fund.

The cost of administering the Board is met from the Consolidated Fund.

## SUPERANNUATION FUND.

This Fund, authorized under the provisions of the *Superannuation Act 1958*, provides, on a contributory basis, retiring benefits for the public and teaching services, the officers and employees of the railways service and certain statutory bodies and, in terms of the *Superannuation Act 1963*, certain members of the police force.

Amending legislation, the *Superannuation Act 1975*, the main provisions of which were operative from 1st July, 1975, effected major amendments to the existing scheme. The main provisions of the amending legislation are as follows—

- (i) a basic pension on retirement on the grounds of ill-health or at age 65 of 70 per cent. of salary at retirement ;
- (ii) on age retirement before age 65 but after age 60, the basic pension reducing pro rata to 66 2/3 per cent. of salary at age 60 ;
- (iii) officers' contributions limited to a maximum of 9 per cent. of salary ;
- (iv) widows' pensions increased from five-eighths to two-thirds of officers' pensions ;
- (v) married women to be eligible to be contributors to the superannuation scheme ; and
- (vi) railway officers who previously elected to limit their superannuation entitlement to a maximum of six units or to forego superannuation altogether, to have the right to reinstate their situation.

The audit of the accounts to 30th June, 1975, has been completed and the audit for the year ended 30th June, 1976, is at an advanced stage.

Subject to final audit, the receipts and disbursements of the Fund for the current year, compared with those of the previous year, are summarized below.

1974-75.		1975-76.	
\$		\$	\$
	<i>Receipts.</i>		
	Contributions—		
36,541,467	Current (net) .. .. .	42,398,522	
99,367	Deferred .. .. .	112,911	
			42,511,433
28,915,860	Payments from the Consolidated Fund .. .. .	..	37,479,713
17,705,037	Interest on Investments .. .. .	..	18,498,789
5,000	Underwriting Commission .. .. .	..	..
14,001	Insurance Commission .. .. .	..	31,304
106,325	Mortgage Reserve Account Premiums .. .. .	..	127,582
619,662	Reserve Units Account (net) .. .. .	..	..
3,445,421	Suspense .. .. .	..	4,233,606
502,554	Property Revenue (net) .. .. .	..	986,325
87,954,694			103,868,752
	<i>Disbursements.</i>		
	Pensions .. .. .	..	42,563,899
	Lump Sum Payments—		
49,123	Limited and ill-health Contributors .. .. .	162,246	
9,641,678	Cash Options .. .. .	34,136,314	
			34,298,560
7,116,592	Pensions Supplementation Fund—Statutory Transfer .. .. .	..	8,720,047
18,392	The Consolidated Fund—Act 7081, Sec. 9 (3) (4) .. .. .	..	..
36,884	Interest on Refunds of Reserve Units Contributions .. .. .	..	121,425
149,335	Net Loss on Sales &c. of Securities .. .. .	..	..
1,168	Assurance Premiums (net) .. .. .	..	135,925
2,934	Miscellaneous .. .. .	..	657
1,537	Valuation Fees (net) .. .. .	..	140
..	Reserve Units Account (net) .. .. .	..	43,499
51,430,850			85,884,152
36,523,844	Surplus of Receipts over Disbursements .. .. .	..	17,984,600
247,431,759	Balance (including Investments) 1st July .. .. .	..	283,955,603
283,955,603	Balance 30th June .. .. .	..	301,940,203

During the year, the Board further increased its investment in land and buildings by the acquisition of a third property situated at 232, 240 and 248 Victoria Parade, East Melbourne. Payments during the year in respect of property acquisitions amounted to \$29,155,057, as under :—

	\$
555 Collins Street, Melbourne .. .. .	15,632,682
232, 240 and 248 Victoria Parade, East Melbourne .. .. .	8,709,500
35 Spring Street, Melbourne .. .. .	4,803,589
Miscellaneous development expenses .. .. .	9,286
	29,155,057

Progress in the development of the computer sub-systems necessary for the application of electronic data processing to certain of the Board's functions is continuing and is now at an advanced stage.

The item included in the statement of receipts and disbursements, "Suspense \$4,233,606", represents, mainly, superannuation contributions received by the Board but unallocated to respective accounts pending receipt of variation returns from the Departments concerned.

#### PENSIONS SUPPLEMENTATION FUND.

This Fund was established pursuant to the *Pensions Supplementation Act* 1966 to meet the cost of supplementing, as from 1st April, 1966, the pensions of officers who retired on or before 12th July, 1961, or the widows of such officers or of those officers who died prior to that date. Amending legislation incorporated in the Pensions Supplementation Act gave the Board power to increase the supplementary pensions of those persons and to grant supplementary pensions to, or in respect of, persons who became entitled to a pension subsequent to that date. The latest of such amendments—the *Pensions Supplementation Act* 1973—authorised the Board to increase, in each "prescribed year," the existing supplementary pensions and to grant supplementary pensions to persons who first became entitled to a pension in the preceding financial year.

The sources of revenue to the Fund are—

- (i) transfers from the Superannuation Fund and the Consolidated Fund of amounts equal to the cost of the supplementation of pensions, in the proportions specified in the relevant provisions of the Pensions Supplementation Act;
- (ii) transfers from the Police Pensions Fund established under the *Police Regulation Act* 1958 equal in value to the amounts debited to the Pensions Supplementation Fund in respect of the supplementation of the pensions of police pensioners and police widow pensioners; and
- (iii) interest earned on investments of the Fund.

A summary is given below of the year's transactions of the Fund on an accrual basis, together with comparative figures for 1974-75 :—

1974-75.		1975-76.
\$		\$
	Income—	
7,145,159	Statutory Transfer—Superannuation Fund .. .. .	8,797,405
1,146,907	Police Pensions Fund .. .. .	1,521,043
5,626,191	Consolidated Fund .. .. .	10,408,251
106	Interest on Investments .. .. .	..
13,918,363		20,726,699
	Expenditure—	
13,915,501	Pensions .. .. .	20,724,601
2,862	Surplus .. .. .	2,098

The Accumulated Funds as at 30th June, 1975 and 1976, respectively, were represented by—

30.6.75.		30.6.76.
\$		\$
	Assets—	
11,585	Cash at Bank .. .. .	13,684
	Accruals—	
83,576	Superannuation Fund .. .. .	160,934
13,861	Police Pensions Fund .. .. .	27,963
78,876	Consolidated Fund .. .. .	211,436
187,898		400,333
	Less Liabilities—	
176,313	Pensions Approved but Unpaid .. .. .	400,333
11,585	Accumulated Funds .. .. .	13,684

## MARRIED WOMEN'S SUPERANNUATION FUND.

The *Married Women's Superannuation Act 1968* provided for the establishment, on a contributory basis, of the Married Women's Superannuation Fund. The purpose of this Fund is to provide retiring benefits to married women who are on the permanent staff of the public service and who, because of their married status, prior to the operation of the *Superannuation Act 1975*, were not eligible to become contributors to the Superannuation Fund established under the *Superannuation Act 1958*, or who, subsequent to the operation of the 1975 Act, elected to contribute to the Married Women's Superannuation Fund.

Each contributor is required to contribute to the Fund, through the medium of deductions from salary, a sum equal to 5 per cent. of her salary. Contributions are credited to members' accounts in the Fund and are supplemented by payments out of the Consolidated Fund when benefits become due. Benefits on retirement consist of lump sum payments or annuities.

A statement of receipts and disbursements for the past two years is given hereunder—

## Receipts.

1974-75.		1975-76.	
\$		\$	\$
3,283,743	Balance 1st July .. .. .	..	4,516,628
	Contributions—		
1,205,793	Officers and the Consolidated Fund .. .. .	575,499	
94,113	The Consolidated Fund—Lump Sums .. .. .	67,893	
		<hr/>	643,392
319,361	Interest on Investments .. .. .	..	429,399
<hr/>			<hr/>
4,903,010			5,589,419

## Disbursements.

221,793	Lump Sum Payments .. .. .	..	122,404
7,936	Annuities .. .. .	..	7,662
	Contributions Refunded, Section 15—		
154,910	Officers .. .. .	218,159	
1,743	The Consolidated Fund .. .. .	94,794	
		<hr/>	312,953
..	Transfer to Superannuation Fund, Section 16 .. .. .	..	781,560
4,516,628*	Balance 30th June .. .. .	..	*4,364,840
<hr/>			<hr/>
4,903,010			5,589,419
	*Represented by—		
4,465,416	Investments (at cost) .. .. .	..	4,336,416
51,212	Cash at Bank .. .. .	..	28,424
<hr/>			<hr/>
4,516,628			4,364,840

## PARLIAMENTARY CONTRIBUTORY SUPERANNUATION FUND.

The *Parliamentary Salaries and Superannuation Act 1968* provides for the establishment of the Parliamentary Contributory Superannuation Fund. The purpose of the Fund is to provide pensions, retiring allowances and other superannuation benefits to former members of Parliament and their widows. Members are required to contribute by way of deduction from salary, and, to the extent certified by the actuary appointed by the Trustees, the Consolidated Fund is applied to enable the Fund to meet its liabilities.

A statutory account, the Supplementary Retirement Account, has been established within the Fund and a member may make contributions to this Account by way of deduction from salary, not exceeding 10 per cent. of gross salary. No such contributions have been made during the past two years. Withdrawals by a member of the whole or part of the moneys standing to his credit in the Account may be made at five-yearly intervals. When a contributor ceases to be a member, there is payable to him or his personal representative the amount standing to his credit in the Account together with compound interest thereon at a rate determined by the Trustees of the Fund.



### TOTALIZATOR AGENCY BOARD.

The *Racing (Totalizators Extension) Act* 1960 authorized the establishment of an off-course betting scheme under the control of the Totalizator Agency Board. The *Racing (Amendment) Act* 1969 requires the accounts of the Board to be audited by the Auditor-General. The Board's balancing date is the 31st July in each year and the accounts have been audited to 31st July, 1976.

Turnover for the year ended 31st July, 1976, amounted to \$497,346,976 compared with \$461,984,440 in the previous year.

Following is a statement of Profit and Loss, showing the surplus funds available for distribution for the years ended 31st July, 1975, and 1976 :—

1975. \$		1976. \$	\$
	<b>Revenue—</b>		
39,268,675	Commission on totalizator investments .. .. .	.. .. .	42,274,712
	<b>Other Income—</b>		
2,161,257	Unpaid Dividends .. .. .	.. .. .	2,304,237
1,656,415	Miscellaneous Income .. .. .	.. .. .	1,696,765
43,086,347			46,275,714
	<b>Less Expenditure—</b>		
14,967,986	Employees' remuneration and agency fees .. .. .	.. .. .	17,193,564
3,026,815	Rentals, rates, repairs, maintenance and communications .. .. .	.. .. .	3,386,862
2,595,220	Depreciation .. .. .	.. .. .	2,203,840
1,508,300	Administration, printing, stationery and other operating expenses .. .. .	.. .. .	1,772,393
22,098,321			24,556,659
20,988,026			21,719,055
..	<i>Plus</i> —Transferred from Distribution Reserve .. .. .	.. .. .	280,000
20,988,026			21,999,055
	<b>Less Transferred to Development Reserve .. .. .</b>	.. .. .	<b>3,233,585</b>
2,554,958	Provision for Agents Fees Equalization .. .. .	.. .. .	160,000
700,000	Transferred to Late Dividends Reserve .. .. .	.. .. .	..
200,000			
3,454,958			3,393,585
17,533,068	<b>Total Surplus Funds for Distribution .. .. .</b>	.. .. .	<b>18,605,470</b>
	<b>Deduct—</b>		
1,718,908	Advances of first charge administration costs .. .. .	.. .. .	2,696,327
245,631	Advances Spring Racing Stakes .. .. .	.. .. .	270,666
1,964,539			2,966,993
15,568,529	<b>Balance of Surplus Funds available for Distribution .. .. .</b>	.. .. .	<b>15,638,477</b>

The item—"Advances of first charge administration costs \$2,696,327"—represents reimbursements to the Victoria Racing Club and the Trotting Control Board of the costs of administration of racing and trotting, respectively, in accordance with the provisions of Section 1160 of the *Racing Act* 1958.

The Board's balances as at 31st July, 1975 and 1976, are summarized hereunder :—

1975.		1976.
\$		\$      \$
6,059,807	Contributed Capital .. .. .	6,059,807
3,320,180	Contributed Capital—Development Reserve .. .. .	7,566,234
<u>9,379,987</u>		<u>13,626,041</u>
	Represented by—	
	Fixed Assets—	
6,099,747	Freehold land and buildings (at cost) .. .. .	7,989,714
1,605,915	Less provision for depreciation .. .. .	1,847,931
<u>4,493,832</u>		<u>6,141,783</u>
3,024,505	Leasehold improvements (at cost) .. .. .	3,318,384
2,192,805	Less provision for depreciation .. .. .	2,494,205
<u>831,700</u>		<u>824,179</u>
12,112,133	E.D.P. equipment (at cost) .. .. .	14,798,392
1,533,892	Country Automation (at cost) .. .. .	1,531,903
1,098,003	Motor vehicles, plant, machinery, fixtures and fittings (at cost) .. .. .	1,212,304
<u>14,744,028</u>		<u>17,542,599</u>
10,006,765	Less provision for depreciation .. .. .	11,596,885
<u>4,737,263</u>		<u>5,945,714</u>
<u>10,062,795</u>		<u>12,911,676</u>
	Other Assets—	
25,723,791	Cash on hand and at bank (including funds on term deposit) .. .. .	26,677,277
244,716	Sundry Debtors .. .. .	134,618
455,392	Prepayments .. .. .	783,495
113,779	Stock of E.D.P. Equipment Spares .. .. .	100,033
<u>26,537,678</u>		<u>27,695,423</u>
<u>36,600,473</u>		<u>40,607,099</u>
	Deduct Liabilities—	
15,568,529	Proposed distribution of surplus funds .. .. .	15,638,477
1,744,512	Amounts payable to Treasurer of Victoria .. .. .	1,476,172
3,247,657	Dividends payable on totalizator investments and telephone betting deposits held .. .. .	4,584,176
3,377,319	Sundry Creditors, provisions and accruals .. .. .	3,012,233
1,012,469	Development Reserve .. .. .	—
2,270,000	Late Dividends Reserve (NOTE No. 1) .. .. .	2,270,000
<u>27,220,486</u>		<u>26,981,058</u>
<u>9,379,987</u>		<u>13,626,041</u>

The following explanatory notes have been appended to the Balance-sheet by the Board and are to be read in conjunction therewith :—

1. Late Dividends Reserve represents approximately 20 per cent. of Dividend Liability included in distribution since 1971.
2. Contingent liability on uncompleted capital projects is \$21,000,000 for Crisp and Head Office Building Projects.
3. Retention moneys of \$189,000 are held in trust in the joint names of Totalizator Agency Board and K. G. Hooker Builders Pty. Limited.



Funds available for distribution to participating clubs from the commencement of the Board's operations in March, 1961, to 31st July, 1976, totalled \$110,141,320. During 1975-76, the Minister approved the transfer to the Development Reserve of \$1,990,000 and an additional \$1,243,585 was credited to the Reserve from the one-quarter per cent. commission in accordance with the provisions of sub-section (3) of Section 1160 of the Racing Act, bringing the total amount available in the Development Reserve, at 31st July, 1976, to \$7,566,234. This amount has been fully expended on approved development projects. Capital contributed by the three Metropolitan Racing Clubs and the Trotting Control Board—the Contributing Clubs—remained at \$6,059,807.

### VICTORIAN DEVELOPMENT CORPORATION.

The Corporation was established during 1972-73, pursuant to the provisions of the *Victorian Development Corporation Act 1973*, for the purpose of encouraging, promoting, facilitating and assisting in the establishment, carrying-on, expansion and development of country industries and the provision of tourist facilities throughout Victoria.

Additional loan funds of \$5,000,000 made available during the year by the State Treasury enabled further Section 11 Advances of \$4,138,009 to be made. The provisions of Section 16 (1) were invoked to allow the Corporation to act as an administrative agent controlling a special Treasury advance of \$800,000 to enable a Braybrook firm to transfer its operations to Shepparton. At balance date, \$250,000 of this advance had been forwarded to the firm.

The financial position of some of the Corporation's debtors is such as would point to substantial sums having to be written off.

Following is a summary of the Profit and Loss Accounts for the years ended 30th June, 1975, and 1976 :—

1974-75.					1975-76.	
\$					\$	\$
	Income—					
367,902	Interest on loan advances	..	..	..	..	655,349
282,982	Interest on bank term deposits..	..	..	..	..	412,964
33,261	Other	..	..	..	..	138,153
684,145					1,206,466	
	Expenditure—					
498,605	Interest payable	..	..	..	..	873,345
242,050	Provision for doubtful debts	..	..	..	..	300,000
205,612	Administration expenses	..	..	..	..	276,237
946,267					1,449,582	
262,122	Loss for year	..	..	..	..	243,116

The balance-sheets of the Corporation as at 30th June, 1975, and 1976, are summarized hereunder :—

30.6.75.					30.6.76.	
\$					\$	\$
204,497	Current Assets	..	..	..	..	394,851
3,500,000	Investments—Fixed Deposits	..	..	..	..	5,140,000
7,088,360	Loans to Industries—Section 11	..	..	..	..	10,756,203
682,429	Fixed Assets— <i>Less</i> Depreciation	..	..	..	..	751,154
..	Agency Loan—Section 16	..	..	..	..	250,000
686,244	Accumulated Loss	..	..	..	..	929,360
12,161,530					18,221,568	
	Current Liabilities—					
253,353	Bank Overdraft	..	..	..	..	358,452
58,177	Accruals and Prepayments	..	..	..	..	45,783
	Deferred Liabilities—					
10,000,000	Treasurer of Victoria—Loan	..	..	..	..	14,833,333
1,300,000	Inscribed Stock	..	..	..	..	1,300,000
..	Agency Loan	..	..	..	..	16,133,333
..	Reserves—					800,000
550,000	Provision for doubtful debts	..	..	..	..	850,000
..	Leased Property Provision	..	..	..	..	34,000
12,161,530					884,000	
					18,221,568	