
REPORT
OF THE
AUDITOR-GENERAL

FOR THE YEAR ENDED

30 JUNE 1978

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REPORT OF THE AUDITOR-GENERAL OF VICTORIA

UPON

THE TREASURER'S STATEMENT OF THE FINANCES FOR THE YEAR
ENDED 30 JUNE 1978

PART I.—INTRODUCTION

As directed by Section 47 of the *Audit Act* 1958, I hereby transmit to the Legislative Assembly the Statement prepared by the Treasurer of the receipts and expenditure of the Consolidated Fund and the Trust Fund for the financial year ended 30 June 1978. The provisions of Section 47 require that I make and sign a Report explaining the Statement in full and showing particulars of the several matters referred to in sub-sections (1) and (2) of that Section.

In practice, the requirement placed on me to explain the Statement in full is met by my presenting, in Part II., a general review of the main features of the State finances and then discussing, in some detail, in Parts III. and IV., the receipts and payments of the Consolidated Fund and the Trust Fund. The explanation is continued in comments on the accounts of various individual departments, branches and authorities which are given in Part V. Part VI. contains information on general matters which are required to be reported to Parliament under specific provisions of the Audit Act, or which otherwise warrant inclusion. Supporting statements and appendices complete the Report.

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

As required by Section 46 of the Audit Act, the Treasurer has included and distinguished in his statement of the expenditure of the Consolidated Fund for the year such amounts as had been expended but in respect of which no appropriation had been made on or before 30 June 1978. The relevant figures are submitted on the basis that Parliamentary appropriation of the amounts is made in due course.

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

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

PART II—REVIEW

In the Budget for 1977-78, the Treasurer estimated that the total receipts to the Consolidated Fund would be \$3 282 800 000. The actual result for the year was a total of \$3 294 890 574 and this amount was appropriated in full to the service of the year.

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

	Budget. 1977-78	Actual. 1977-78	Actual. 1976-77
	\$	\$	\$
State Taxation	1 122 550 000	1 113 532 866	1 022 206 837
Other State Sources exc. Railways	443 945 000	462 409 687	393 947 537
Railway Income	176 900 000	180 545 809	163 910 737
Commonwealth Sources exc. Loan Raisings	1 287 163 000	1 283 398 325	1 133 196 591
	3 029 658 000	3 039 886 687	2 713 261 702
Loan Raisings and Repayments	253 142 000	255 003 887	242 358 083
	3 282 800 000	3 294 890 574	2 955 619 785

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

	Budget. 1977-78	Actual. 1977-78	Actual. 1976-77
	\$	\$	\$
Special Appropriation—Debt Charges, Salaries, Pensions, General Expenses, etc., exc. Railways	535 840 210	541 871 927	468 101 217
Annual Vote—Departmental Services exc. Railways	1 970 838 790	1 963 311 727	1 728 685 946
Railway Operating Expenses	349 530 000	354 279 921	322 988 532
	2 856 209 000	2 859 463 575	2 519 775 695
Special Appropriation—Works and Services Account	426 591 000	435 426 999	435 844 090
	3 282 800 000	3 294 890 574	2 955 619 785

In addition to receipts required to be credited to the Consolidated Fund, the Treasurer received in the year and credited to accounts within the Trust Fund a total of \$3 452 820 649. A broad classification of the receipts is as follows :—

	\$	\$
Commonwealth		976 593 034
Commonwealth-State		46 680 802
State Funds—		
Compensation and Insurance	20 311 680	
Depreciation	3 174 332	
Social, Health and Welfare	305 933 499	
Superannuation and Pension	4 578 108	
Suspense	1 354 402 362	
Works and Development	664 333 091	
Other	72 033 531	
		2 424 766 603
Bequests, Donations, Deposits and Research		4 780 210
		3 452 820 649

Payments from Trust Fund totalled \$3 442 351 393 and may be classified under the following broad headings :—

	\$	\$
Commonwealth		974 145 499
Commonwealth-State		45 790 892
State Funds—		
Compensation and Insurance	13 816 212	
Depreciation	1 658 852	
Social, Health and Welfare	293 185 252	
Superannuation and Pension	4 294 150	
Suspense	1 348 556 212	
Works and Development	674 291 376	
Other	82 787 238	
	<hr/>	2 418 589 292
Bequests, Donations, Deposits and Research		3 825 710
		<hr/>
		3 442 351 393

More detailed comment in respect of trust account transactions, including those in respect of new accounts, is given at page 27 et seq.

The overall effect on Treasury Balances of the transactions of the Consolidated Fund and the Trust Fund as mentioned above is shown in the following statement which summarises the movements for the year.

	\$	\$
Balances at 1 July 1977		270 627 923
Receipts—		
Consolidated Fund	3 294 890 574	
Trust Fund	3 452 820 649	
In Reduction of Advances	1 896 150	
	<hr/>	6 749 607 373
		<hr/>
		7 020 235 296
Payments—		
Consolidated Fund	3 294 890 574	
Trust Fund	3 442 351 393	
	<hr/>	6 737 241 967
		<hr/>
Balances at 30 June 1978		282 993 329

The net effect of the year's transactions was an increase in the total Treasury Balances of \$12 365 406 brought about mainly by an increase of \$10 469 256 in the credit balance of the Trust Fund.

Treasury Balances are accounted for in the Treasurer's Statement as follows :—

	\$	\$
Trust Fund Balance		312 863 745
Less Advances from Public Account—		
For Consolidated Revenue Deficits	21 782 281	
For Departmental and Other Purposes	8 088 135	
	<hr/>	29 870 416
		<hr/>
		282 993 329

The balances are represented by—

	\$	\$
Cash at Credit of Public Account	29 843 688	
Fixed Deposit Account	145 700 000	
	<hr/>	175 543 688
Investments—		
Trust Fund		107 449 641
		<hr/>
		282 993 329

The amount of the Consolidated Revenue Deficits mentioned in the statement above, \$21 782 281, represents the balance of deficits—the last of which occurred in 1969–70—still unfunded and financed from the Public Account. Parliamentary authority for the temporary issue and application out of the Public Account of any sum necessary to meet the deficit was provided at the time by the *Public Account Act* 1958 (No. 6345). The relevant legislative provision was repealed, with effect from 1 July 1970, when the Consolidated Fund was established.

RECEIPTS—CONSOLIDATED FUND

Total receipts to the Consolidated Fund, \$3 294 890 574, exceeded the Budget Estimate of \$3 282 800 000 by \$12 090 574.

The net excess of \$12 090 574 was made up as follows :—

	\$	\$
Items in excess of Budget Estimate—		
Royalties	6 910 428	
Fees and Charges for Departmental Services.. .. .	5 388 586	
Railways	4 545 809	
Interest on Public Account	4 157 323	
Other	12 113 062	
	<hr/>	33 115 208
Less Shortfalls in receipts compared with Budget Estimate—		
Commonwealth Payments	9 906 631	
Taxation	9 017 134	
Other	2 100 869	
	<hr/>	21 024 634
		<hr/>
		12 090 574
		<hr/>

The divergence between the Budget Estimate and the actual receipts from Taxation resulted, mainly, from shortfalls in receipts from Pay-roll Tax, \$16 861 855, Land Tax, \$11 947 511 and Other Stamp Duty, \$4 496 634, offset by excesses in collections of Probate Duty, \$17 848 692 and Tattersall Duty, \$2 097 755.

The actual receipts to the Consolidated Fund exceeded those of the previous year, \$2 955 619 785, by \$339 270 789. Details of the variations between the two years are given at page 9.

Receipts are capable of division into three main categories :—

	\$
Sources other than the Commonwealth	1 756 488 362
Commonwealth Sources	1 285 872 679*
Loan Raisings and Repayments	252 529 533
	<hr/>
	3 294 890 574
	<hr/>

* Includes Commonwealth contributions towards the cost of projects and services met from the Works and Services Account and credited to the Consolidated Fund under the head of Loan Repayments.

Receipts from sources other than the Commonwealth, \$1 756 488 362, were \$176 423 252 higher than the 1976–77 figure of \$1 580 065 110 and constituted 53·31 per cent. of the total receipts compared with 53·46 per cent. in the previous year. Those from Commonwealth sources, \$1 285 872 679, were \$149 614 765 more than in the previous year and represented 39·03 per cent. as against 38·44 per cent. for 1976–77. Loan raisings and repayments yielded \$13 232 772 more than the 1976–77 total of \$239 296 761 and provided 7·66 per cent. of the total receipts compared with 8·10 per cent. in 1976–77.

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

	\$
Payroll Tax	43 353 275
Petroleum Royalties	22 848 545
Railways	16 635 072
Fees and Charges for Departmental Services	15 638 955
Tattersall Duty	15 355 200
Recoveries of Debt Charges	15 227 727
Miscellaneous	10 708 514
Licences	10 523 496
Duty under Stamps Acts	10 174 173

Details of the variations in the receipts to the Consolidated Fund from Commonwealth sources are—

	1976-77.	1977-78.	+ Increase. - Decrease.
	\$	\$	\$
Personal Income Tax Sharing Entitlement ..	841 700 000	984 690 251	+142 990 251
Schools—Capital and Recurrent Purposes, etc.	119 614 818	136 088 675	+ 16 473 857
Capital Assistance Grant	114 354 000	120 071 000	+ 5 717 000
Pre-School Child Education and Care ..	13 119 315	13 225 000	+ 105 685
Urban Public Transport	11 330 681	7 050 000	— 4 280 681
Deserted Wives—Social Welfare	2 824 067	4 517 005	+ 1 692 938
Interest—Financial Agreement	4 254 318	4 254 318	..
Home Care and Nursing Homes Grants ..	3 741 881	4 045 457	+ 303 576
Community Health	3 922 292	3 506 459	— 415 833
Repatriation Hospital—Bundoora	2 890 975	3 089 354	+ 198 379
Tuberculosis Agreement	2 845 515	1 647 972	— 1 197 543
Water Resources Assessment	910 412	1 136 000	+ 225 588
Softwood Forestry Agreement	750 000	1 008 944	+ 258 944
Medibank Recoups .. .. .	..	949 237	+ 949 237
Legal Aid Grant	251 662	..	— 251 662
Urban and Regional Development	36 197	..	— 36 197
Other	611 781	593 007	— 18 774
Sewerage Program Assistance	13 100 000	..	— 13 100 000
	<u>1 136 257 914</u>	<u>1 285 872 679</u>	<u>+149 614 765</u>

The arrangements embodied in the Commonwealth's *States (Personal Income Tax Sharing) Act 1976* for the apportionment of personal income tax collections between the Commonwealth and State Governments were varied by the *States (Personal Income Tax Sharing) Amendment Act 1978*. Victoria's entitlement for 1977-78 in terms of the new arrangements was \$985 666 642. After adjustment of the overpayment of \$976 391 in 1976-77, actual receipts from the Commonwealth totalled \$984 690 251.

The Assistance Grant for capital works was \$5.7 million more than that of 1976-77 and contributions by the Commonwealth for capital and recurrent expenditure in schools and for other educational purposes were \$16.5 million higher than for the previous year.

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

Net receipts of \$252.5 million to the Consolidated Fund from loan raisings and loan repayments (exclusive of Commonwealth contributions) were \$13.2 million more than the comparable figure for 1976-77. The receipts consisted of \$240.1 million, the net proceeds of loans raised under Victoria's share of the works program approved by the Loan Council, and \$12.4 million repayments in respect of advances made by the State in this and prior years.

PAYMENTS—CONSOLIDATED FUND

Section 5 of the *Public Account Act 1958* provides that the total of appropriations by Parliament from the Consolidated Fund and the amount specially appropriated under authority of the Act to the Works and Services Account, following determination of such amount by the Treasurer, shall not exceed the amount to the credit of the Consolidated Fund. As shown earlier in this review, the total credits to the Consolidated Fund aggregated \$3 294 890 574 and this amount was appropriated in full in the following manner :—

	\$
Special Appropriation—Debt Charges, Pensions, etc.	583 701 792
Special Appropriation—Works and Services Account	435 426 999
Annual Vote—Departmental etc. Services	2 275 761 783
	<u>3 294 890 574</u>

The comparable total for the previous year was \$2 955 619 785 which is \$339 270 789 less than the 1977-78 figure.

Again this year, the biggest proportion of expenditure from the Consolidated Fund was of a social nature and related to education, health and welfare services and housing. The amount expended on these services was \$1 747 164 354 and represented 52.62 per cent. of the total amount available in the Consolidated Fund. The items included in the expenditure of \$1 747 164 354 were

Education, \$1 075 533 306, Health and Welfare, \$585 617 504 and Housing and other Social items, \$86 013 544. These amounts exceeded those of the previous year by \$125 006 706 in Education, \$63 363 951 in Health and Welfare, and \$23 369 218 in Housing and other Social items.

More detailed information relating to these items of expenditure from the Consolidated Fund is given in the relevant departmental sections of the Report. A comparison on a monetary and proportional basis of expenditure from the Consolidated Fund in 1977-78 with that of the previous year is given in Statement No. 1 appended to the Report.

Debt charges continue to absorb a substantial portion of the funds available in the Consolidated Fund. The amount paid in 1977-78 under this heading was \$336 535 503 which represents 10.14 per cent. of the total expenditure from the Consolidated Fund. Debt charges on the Public Debt accounted for \$274 106 552 of the year's expenditure and the balance related to interest and principal payments in respect of advances and loans made to the State for Housing, Soldier Settlement and other purposes under Commonwealth-State agreements and arrangements.

Part of the outlay for debt charges is offset by recoups of interest and sinking fund contributions from State bodies which have received advances from loan moneys and by interest received from various sources and credited to the Consolidated Fund. Statement No. 4 appended to this Report shows in detail the year's receipts and payments on account of debt charges.

TRUST FUND—WORKS AND SERVICES ACCOUNT

Appropriations from the Consolidated Fund to this Account throughout the year amounted to \$435 426 999 and, with the balance of \$25 555 675 unexpended from the previous year, brought the total funds available in the Account to \$460 982 674. Expenditure under the year's works and services program absorbed \$443 409 481 leaving an unexpended balance in the Account, at 30 June 1978, of \$17 573 193. Details of the expenditure are given on page 26.

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

PART III—THE CONSOLIDATED FUND

RECEIPTS

A summary of the Treasurer's statement of receipts appearing on pages 8 to 15 of the finance statement is given in the following tabular comparison for the purpose of showing the significant variations which provided the overall increase of \$339 270 789 for the year.

	1976-77	1977-78
	\$	\$
State Taxes		
Direct	683 287 303	753 915 663
Stamps Acts	281 575 246	291 749 419
Licensing Fund Payment	24 793 798	32 746 128
Tobacco Licences	24 497 984	25 983 274
Other	8 052 506	9 138 382
	1 022 206 837	1 113 532 866
Recoveries of Debt Charges		
Interest and Exchange	89 338 232	101 633 514
Sinking Fund—Contributions and Special Payments	4 188 227	4 574 578
Loan Conversion Expenses	15 334	9 426
Repayments	11 780 609	14 332 611
	105 322 402	120 550 129
Land Revenue		
Leases, Licences, Miners' Rights, etc.	6 078 589	6 289 650
Royalties—Submerged Lands	46 605 509	69 454 054
Other	748 391	936 374
	53 432 489	76 680 078
Harbor Revenue		
Contribution—Melbourne Harbor Trust	1 240 084	903 092
Westernport—Wharfage, Tonnage, Towage, etc.	3 602 711	3 806 699
Other	2 084 436	2 458 643
	6 927 231	7 168 434
Fees and Charges for Departmental Services		
Fees—Titles Office, Commissioner for Corporate Affairs, Government Statist, etc.	27 706 386	30 500 186
Departmental Services—		
Government Printer	14 997 872	16 358 585
Public Works	13 777 173	15 692 174
Motor Registration	10 855 325	12 629 247
Mental Hygiene	7 309 071	10 263 875
Agriculture	7 776 598	8 733 333
Police	4 162 254	4 723 817
Education	2 887 834	3 017 498
Health	1 498 594	2 450 762
Lands and Survey	1 386 992	2 193 809
E.D.P. Centre	1 051 787	1 979 732
Public Trustee	1 402 889	1 521 985
Social Welfare	896 605	862 160
Other	2 795 251	3 216 423
	98 504 631	114 143 586
Forests Commission		
Royalties, etc.	16 259 901	15 799 002
State Rivers and Water Supply Commission		
Rates and Charges, Recoups, etc.	33 024 692	36 883 753

	1976-77	1977-78
	\$	\$
Other Revenue		
Statutory Corporations—Contributions	20 120 000	23 720 000
Fines—Courts and Other Sources	15 246 218	16 335 813
Interest on Public Account	19 519 482	23 157 323
Rents and Hirings	1 770 448	1 938 702
Public Trustee—Surplus Interest	1 463 616	1 729 738
Recoup—Superannuation Charges	5 349 768	4 913 976
Rebate—Workers' Compensation Insurance Premium	6 958 430	..
State Savings Bank—Half Share of Profit, Savings Bank Department	5 409 427	13 809 039
Gas and Fuel Corporation—Dividends, Preference Shares	304 181	305 399
Sundry	4 334 621	5 274 715
	<u>80 476 191</u>	<u>91 184 705</u>
Railways	<u>163 910 737</u>	<u>180 545 809</u>
Commonwealth Payments to the State		
Personal Income Tax Sharing Entitlement	841 700 000	984 690 251
Schools—Grants for Recurrent Expenditure	70 855 391	80 777 225
Building Grants	45 611 794	52 937 956
National Sewerage Program—Advances	13 100 000	..
Capital Assistance Grant	114 354 000	120 071 000
Community Health	3 610 264	3 506 303
Contribution for Interest—Financial Agreement	4 254 318	4 254 318
Tuberculosis Arrangement—Maintenance	2 647 426	1 424 678
Pre-School Child Education and Care	13 119 315	13 225 000
Urban Public Transport Grants	11 330 681	7 050 000
Other Contributions and Recoups	12 613 402	15 461 594
	<u>1 133 196 591</u>	<u>1 283 398 325</u>
Loan Receipts		
Proceeds of Loan Raisings	228 706 000	240 142 000
Loan Repayments	13 652 083	14 861 887
	<u>242 358 083</u>	<u>255 003 887</u>
Total Receipts	<u>2 955 619 785</u>	<u>3 294 890 574</u>

Commonwealth financial assistance and State taxes are dealt with hereunder. Further references to receipts from other sources will be made under appropriate departmental headings.

COMMONWEALTH FINANCIAL ASSISTANCE GRANTS

Commonwealth grants of financial assistance to the States are determined by various Commonwealth Acts. Grants to Victoria during the past three financial years were :—

	1975-76	1976-77	1977-78
	\$	\$	\$
Commonwealth and States Financial Agreement (Vict. Act No. 3554)	4 254 318	4 254 318	4 254 318
Personal Income Tax Sharing Entitlement	706 389 337	841 700 000	984 690 251
Grants for specific purposes	77 199 514	102 845 798	114 394 800
Capital Assistance Grants	184 918 955	184 396 475	180 058 956
Total Commonwealth Grant	<u>972 762 124</u>	<u>1 133 196 591</u>	<u>1 283 398 325</u>

The States (*Personal Income Tax Sharing*) Act 1976 authorised the arrangements under which revenue from personal income tax collections is to be shared between the Commonwealth and the States. Section 7 of the Act was amended by the States (*Personal Income Tax Sharing*) Amendment Act 1978 whereby, in lieu of the previous arrangement of the States receiving 33·6 per cent. of net personal income tax collections, each State was entitled to a share of \$4 336 100 000 in the same proportion as the adjusted population figure of the State bears to the total of the adjusted population figures of all States for the year 1977. Victoria's entitlement amounted to \$985 666 642 and, after allowing for an overpayment of \$976 391 in 1976-77, a sum of \$984 690 251 was received during 1977-78.

Grants for specific purposes comprised :—

	1975-76	1976-77	1977-78
	\$	\$	\$
Community Health	2 036 312	3 610 264	3 506 303
Home Care Scheme	1 767 158	1 912 751	2 541 955
Paramedical Services	232 250	263 254	282 589
Pre-School Child Education and Care ..	10 150 134	13 119 315	13 225 000
Education	55 967 207	72 106 091	80 777 225
Medibank Recoup .. .. .	..	..	908 658
School Dental Scheme	1 365 249	1 896 933	2 373 494
Tuberculosis Arrangement	4 205 474	2 647 426	1 424 678
Water Resources	849 600	910 412	1 136 000
Legal Aid	251 662	251 662	..
*Deserted Wives .. .. .	..	2 824 067	4 517 005
†Repatriation Hospital—Bundoora .. .. .	..	2 890 975	3 089 354
Miscellaneous	374 468	412 648	612 539
	<u>77 199 514</u>	<u>102 845 798</u>	<u>114 394 800</u>

* In 1975-76, Commonwealth payments for deserted wives were offset against the expenditure under Vote-Division 246.2.8 of the Social Welfare Department.

† Prior to 1976-77, Commonwealth payments for the Repatriation Hospital at Bundoora were recorded under the receipt heading—Fees and Charges for Departmental Services.

Grants of a capital nature to the State for the past three years were :—

	1975-76	1976-77	1977-78
	\$	\$	\$
Capital Assistance	108 871 000	114 354 000	120 071 000
Education	45 075 312	45 611 794	52 937 956
National Sewerage Program	30 972 643	13 100 000	..
Urban Public Transport .. .. .	..	11 330 681	7 050 000
	<u>184 918 955</u>	<u>184 396 475</u>	<u>180 058 956</u>

STATE TAXES

Classifications under Receipts, Taxation, in the Treasurer's Accounts are : Direct taxation, revenue under the Stamps Acts, and proceeds of licences issued under State laws. Each of these classifications is dissected in detail on the basis of the component revenue sources.

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

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

Taxation	1976-77	1977-78
	\$	\$
Direct	683 287 303	753 915 663
Stamps Acts	281 575 246	291 749 419
Licences	57 344 288	67 867 784
Total Taxation	<u>1 022 206 837</u>	<u>1 113 532 866</u>

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

Direct Taxation

Pay-roll Tax—Collections in 1977–78 under the *Pay-roll Tax Act 1971* amounted to \$475 138 145 compared with \$431 784 870 in 1976–77, an increase of \$43 353 275. The rise in salaries and wages during the year was the main contributing factor for the increase.

Probate Duty—Collections of Probate Duty in 1977–78 were \$86 848 692, an increase of \$9 369 334 over the 1976–77 figure of \$77 479 358.

Duty amounting to \$84 380 667 was collected by the Commissioner of Probate Duties and \$2 468 025 by the Public Trustee. The aggregate value of new estates assessed increased from \$545 million in 1976–77 to \$648 million in 1977–78. Duty received in advance of the issue of assessments at 30 June 1978 amounted to \$7 014 458 whereas at 30 June 1977 the amount was \$13 867 041.

Land Tax—The *Land Tax Act 1977* fixed the rates of tax and exemption limits to be applied to properties for a period of four years commencing with the 1978 tax year. Provision is made in the Act for the calculated land tax derived from the scale contained in the Second Schedule to be reduced by a discount factor of 15 per cent. in 1978, 10 per cent. in 1979, 5 per cent. in 1980 and nil in 1981. Exemption levels from land tax for residential properties were raised.

Receipts from Land Tax in 1977–78 were \$60 752 489 compared with \$59 981 680 in 1976–77.

Motor Car Third-party Insurance Surcharge—In conformity with the requirements of the *Motor Car Act 1958*, an additional fee of \$4 is paid annually by each motor car owner with the premium payable in respect of his contract of third-party insurance.

Revenue under this head in 1977–78 was \$7 799 041 compared with \$7 461 184 in the previous year.

Totalizator—The *Racing Act 1958* requires that a commission, being a percentage of investments, be deducted from all totalizator pools, the balance of the investments being paid out in dividends. During 1977-78, the commission deducted from moneys invested in on-course and off-course totalizators was fifteen per cent. except in respect of off-course miscellaneous totalizators where the commission was seventeen per cent. in the case of off-course doubles and nineteen per cent. in the case of special schemes. In addition, the *Racing (Tabella Totalizators) Act 1977*, which came into operation on 28 April 1977, empowered the Totalizator Agency Board to conduct Tabella totalizators and provided for commission of twenty per cent. to be deducted from moneys invested in such totalizators.

The appropriation of the commission in respect of the various totalizator pools is shown hereunder :—

On-Course Totalizators—

	Win and Place	Doubles, Quinella and Forecast, Trifecta and Trio
(i) Metropolitan—	%	%
Consolidated Fund	9.75	6.75
Club Concerned	5.25	8.25
Commission	15.00	15.00
(ii) Country, in respect of all types of totalizators—		%
Consolidated Fund		4.75
Club Concerned		10.25
Commission		15.00

Off-Course Totalizators—

	Win and Place
Consolidated Fund	% 6.25
Race-courses Development Fund or Greyhound Racing Grounds Development Fund .. .. .	.25
Totalizator Agency Board	8.50
Commission	15.00

Miscellaneous

	Off-Course Doubles	Special Schemes
Consolidated Fund	% 5.25	% 5.25
Race-courses Development Fund or Greyhound Racing Grounds Development Fund	1.25	1.25
Funds into which moneys are paid pursuant to the <i>Youth, Sport and Recreation Act 1972</i>	2.00	4.00
Totalizator Agency Board	8.50	8.50
Commission	17.00	19.00

Tabella Totalizators—

Race-courses Development Fund—	%
Racing Division	1.95
Trotting Division .. .. .	.66
Greyhound Racing Grounds Development Fund .. .. .	.39
Sports and Recreation Fund	9.00
Australian Rules Football Fund	3.00
Totalizator Agency Board	5.00
Commission	20.00

The total credit to the Consolidated Fund is specially appropriated to the Hospitals and Charities Fund which is required to meet the cost of administration of totalizator inspection, etc. In 1977-78, the sum of \$44 950 011 was received into the Consolidated Fund and an equivalent amount paid out to the Hospitals and Charities Fund. The cost of administration charged to the Fund was \$240 949.

In addition to the \$44 950 011 paid into the Consolidated Fund and specially appropriated to the Hospitals and Charities Fund, moneys were credited to accounts within the Treasury Trust Fund as follows :—

- (i) \$3 452 005 to the Race-courses Development Fund—to meet costs and expenses incurred by the Race-courses Licences Board, to provide financial assistance to racing clubs and to finance the purchase of land for the establishment or extension of a racecourse ;
- (ii) \$569 849 to the Greyhound Racing Grounds Development Fund—to meet costs and expenses of the Greyhound Racing Grounds Development Board, to provide financial assistance to greyhound racing clubs and to finance the purchase of land for the establishment or extension of a greyhound racing ground ;
- (iii) \$4 685 335 to the Sports and Recreation Fund—to be applied towards the promotion of sport and recreation ;
- (iv) \$2 130 000 to the Youth Fund—to be applied towards the training of youth workers, the promotion of youth activities and the provision or improvement of facilities and services for youth ; and
- (v) \$150 791 to the Australian Rules Football Fund—to be applied towards the encouragement and development of Australian Rules Football.

Tattersall Duty—The trustees of the will and estate of the late George Adams, under licences granted in accordance with the provisions of the *Tattersall Consultation Act 1958*, promote and conduct sweepstakes and have appointed an agent to promote and conduct Soccer Football Pools.

Comparative figures for subscriptions to the various consultations and Soccer Football Pools for the past two years are given below. While subscriptions to the ordinary consultations have declined, Tattslotto subscriptions increased by 24·2 per cent. over the previous year's total. During the year, the Treasurer declared three consultations to be Gold Lottery Consultations in accordance with the provisions of the *Tattersall Consultation Act 1958*.

	1976-77	1977-78
	\$	\$
Ordinary Consultations	14 440 037	12 069 000
Tattslotto Consultations	177 186 246	220 032 352
Soccer Football Pools—		
Victoria : ACT : NT	4 895 943	4 855 965
Gold Lotteries	2 500 000	7 500 000
	<hr/>	<hr/>
	199 022 226	244 457 317
	<hr/>	<hr/>

Duty on total subscriptions to consultations (31 per cent.) and Soccer Football Pools (30 per cent.) is payable to the Treasurer. Duty amounting to \$76 197 755 was paid into the Consolidated Fund in 1977-78, compared with \$60 842 555 in 1976-77. In accordance with the provisions of the Act, an amount equivalent to the net duty was appropriated from the Consolidated Fund and apportioned as follows :—

	\$
Hospital and Charities Fund	65 045 603
Mental Hospitals Fund	7 084 051
Sports and Recreation Fund	968 101
Historical and Community Projects Fund	3 100 000
	<hr/>
	76 197 755
	<hr/>

In terms of the agreement entered into with the Government of Tasmania in 1960, and extended for a further period of ten years in 1970, particulars of which have been given in previous Reports, payments to that Government of its share of duty on the sale of consultation tickets and coupons in Tasmania by Tattersall amounted to \$1 695 564, compared with \$929 954 in the previous year.

At 30 June 1978, the Tasmanian share of duty for consultations drawn late in May and in June amounted to \$212 946. This amount was paid to the Tasmanian Government after the close of the year.

The agreement with the Government of New Zealand, particulars of which have been given in previous Reports, was renewed for a further period to 7 December 1981. Payments to the Government of New Zealand during the year amounted to \$258 407 compared with \$205 554 in 1976-77. At 30 June 1978, an amount of \$29 929 was due to the Government of New Zealand. This sum represented the amount due in respect of the last quarter of the financial year.

Unpaid prizes for consultations drawn during 1973-74 amounted to \$952 442 including \$866 149 in respect of Tattslotto. In accordance with the Regulations under the Act, this amount, less certain expenses incurred by the promoter in searching for the persons concerned, was paid to the Treasurer in July, 1977, for credit to the Unclaimed Moneys Fund.

Gift Duty.—Collections under the *Gift Duty Act* 1971 amounted to \$2 229 530 in 1977-78, compared with \$2 992 292 in 1976-77. Duty received in advance of the issue of an assessment at 30 June 1978 totalled \$6 140. Duty assessed but uncollected at that date amounted to \$162 468.

Stamps Acts.

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

	1976-77	1977-78
	\$	\$
Other Stamp Duty	217 366 981	224 296 634
Duty on Insurance Business	54 417 643	57 091 850
Duty on Betting Instruments	9 789 593	10 360 918
Receipt Duty	1 029	17
Total	<u>281 575 246</u>	<u>291 749 419</u>

As indicated in the preceding statement, revenue from stamp duty increased by \$10 174 173 for the year. Major variations in Other Stamp Duty were as follows:—

	1976-77	1977-78	increase/(decrease)
	\$	\$	\$
(i) duty on real estate dealings	110 554 644	109 042 696	(1 511 948)
(ii) duty on applications for registration and notices of acquisition of motor cars	40 680 392	44 040 127	3 359 735
(iii) duty on credit and rental business (registered persons)	22 352 288	24 770 782	2 418 494
(iv) duty on cheques	14 354 057	14 704 202	350 145
(v) sale of adhesive duty stamps	13 022 129	15 496 382	2 474 253
(vi) approved vendors (hire purchase)	7 006 885	7 175 510	168 625
(vii) mortgages—Section 137M of the <i>Stamps Act</i> 1958	1 836 119	1 627 987	(208 132)
(viii) powers of attorney, deeds, agreements, settlements and gifts	323 950	213 762	(110 188)

Licences

The Licensing Fund Payment—The revenue of the Licensing Fund consisted mainly of moneys received from hotelkeepers, \$17 676 329, wholesale and retail liquor merchants, \$12 558 727, and clubs, \$1 727 232. The substantial rise in receipts for 1977-78 resulted, mainly, from a change in the basis of the collection of an annual licence fee from “two equal amounts” to “four equal amounts”, pursuant to the provisions of the *Liquor Control (Fees) Act* 1976, proclaimed to operate from 14 December 1976. In the financial year 1976-77, three-quarters only of a full year’s licence fee was due and payable within that year.

In accordance with the provisions of the *Liquor Control Act* 1968, the surplus of receipts over payments for 1977-78 was transferred to the Consolidated Fund.

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

	1976-77	1977-78
	\$	\$
Balance 1 July	661 471	661 471
Receipts—		
Licences	25 301 896	33 094 786
Permits	632 729	710 580
Fees and Fines etc.	234 840	322 037
Interest on Investments	15 996	15 996
Total Receipts for the Year	<u>26 185 461</u>	<u>34 143 399</u>
Payments—		
Salaries and Other Administrative Expenses	942 148	888 758
Cost of Policing Act	375 285	393 968
Compensation	70 000	113 500
Local Opinion Poll	4 230	1 045
Total Payments for the Year	<u>1 391 663</u>	<u>1 397 271</u>
Transfer to the Consolidated Fund	24 793 798	32 746 128
Balance 30 June	<u>661 471</u>	<u>661 471</u>

Compensation was paid in respect of one hotel in 1976-77 and three in 1977-78.

Tobacco Licences—The *Business Franchise (Tobacco) Act 1974* requires every person carrying on the business of tobacco wholesaling or retailing to hold a licence issued under the Act. Fees paid in respect of licences issued in 1977-78 amounted to \$25 983 274, compared with \$24 497 984 in 1976-77.

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

Costs of collection of fees are met by the participating funds. After meeting the required proportion of the costs of collection, \$832 460, net collections credited to the Consolidated Fund on account of drivers' and instructors' licence fees, in 1977-78, amounted to \$5 707 154.

COMPARISON WITH BUDGET

The following statement shows the variations of Receipts from the Budget Estimate in 1977-78.

	Budget	Estimate	Receipts	+ Excess - Deficiency
	\$	\$	\$	\$
Taxation—				
Pay-roll Tax	492 000 000		475 138 145	- 16 861 855
Probate Duty	69 000 000		86 848 692	+ 17 848 692
Land Tax	72 700 000		60 752 489	- 11 947 511
Motor Car Third-party Insurance—Surcharge ..	7 600 000		7 799 041	+ 199 041
Totalizator	45 300 000		44 950 011	- 349 989
Tattersall Duty	74 100 000		76 197 755	+ 2 097 755
Gift Duty	3 400 000		2 229 530	- 1 170 470
Betting and Bookmakers' Turnover Tax ..	10 800 000		10 360 918	- 439 082
Duty on Insurance Business	59 250 000		57 091 850	- 2 158 150
Receipt Duty .. .. .	..		17	+ 17
Other Stamp Duty	219 800 000		224 296 634	+ 4 496 634
Licensing Fund Payment	32 900 000		32 746 128	- 153 872
Tobacco and other Licences	35 700 000		35 121 656	- 578 344
	<u>1 122 550 000</u>		<u>1 113 532 866</u>	<u>- 9 017 134</u>
Recoveries of Debt Charges—				
Country Roads Board	2 904 000		2 922 843	+ 18 843
Gas and Fuel Corporation of Victoria	758 000		757 158	- 842
Home Builders' Account	13 475 000		13 507 648	+ 32 648
Housing Commission	39 168 000		39 061 971	- 106 029
Melbourne and Metropolitan Board of Works ..	22 280 000		21 188 743	- 1 091 257
Rural Finance and Settlement Commission ..	9 050 000		9 232 509	+ 182 509
State Electricity Commission	25 690 000		25 831 392	+ 141 392
Water and Sewerage Authorities	3 500 000		3 622 218	+ 122 218
Other	4 875 000		4 425 647	- 449 353
	<u>121 700 000</u>		<u>120 550 129</u>	<u>- 1 149 871</u>
Land Revenue—				
Lands	6 300 000		6 027 740	- 272 260
Mining	400 000		261 910	- 138 090
Royalties—Submerged Lands	62 500 000		69 454 054	+ 6 954 054
Royalties—Other	980 000		936 374	- 43 626
	<u>70 180 000</u>		<u>76 680 078</u>	<u>+ 6 500 078</u>
Harbor Revenue—				
Harbor Trust Contribution	630 000		903 092	+ 273 092
Westernport	3 900 000		3 806 699	- 93 301
Other	2 430 000		2 458 643	+ 28 643
	<u>6 960 000</u>		<u>7 168 434</u>	<u>+ 208 434</u>
Fees and Charges for Departmental Services—				
Fees—Titles Office, Commissioner for Corporate Affairs, Labour and Industry, etc. ..	30 370 000		30 500 186	+ 130 186
Recoups—Departmental Services	78 385 000		83 643 400	+ 5 258 400
	<u>108 755 000</u>		<u>114 143 586</u>	<u>+ 5 388 586</u>
Forests Commission—				
Royalties, etc.	16 750 000		15 799 002	- 950 998
State Rivers and Water Supply Commission—				
Rates and Charges, Recoups, etc.	35 600 000		36 883 753	+ 1 283 753
Miscellaneous Receipts—				
Fines	16 200 000		16 335 813	+ 135 813
Interest on Public Account	19 000 000		23 157 323	+ 4 157 323
Rents and Hirings	2 150 000		1 938 702	- 211 298
Statutory Corporation Payments	24 150 000		23 720 000	- 430 000
Recoup—Superannuation Charges	3 500 000		4 913 976	+ 1 413 976
Other	19 000 000		21 118 891	+ 2 118 891
	<u>84 000 000</u>		<u>91 184 705</u>	<u>+ 7 184 705</u>

COMPARISON WITH BUDGET—*continued*

	Budget Estimate	Receipts	+ Excess - Deficiency
	\$	\$	\$
Railways	176 000 000	180 545 809	+ 4 545 809
Commonwealth Payments to State—			
Commonwealth and States Financial Agreement ..	4 254 000	4 254 318	+ 318
Personal Income Tax Sharing Entitlement ..	986 124 000	984 690 251	- 1 433 749
Tuberculosis Arrangement—Maintenance ..	4 200 000	1 424 678	- 2 775 322
Water Resources Assessment	1 136 000	1 136 000	..
Home Care Scheme	2 550 000	2 541 955	- 8 045
Paramedical Services	280 000	282 589	+ 2 589
Schools—Grants for Recurrent Expenditure ..	73 250 000	72 778 625	- 471 375
Pre-School Child Education and Care	13 500 000	13 225 000	- 275 000
School Dental Scheme	2 900 000	2 373 494	- 526 506
Community Health	7 125 000	3 506 303	- 3 618 697
Repatriation Hospital-Bundoora	3 200 000	3 089 354	- 110 646
Grants for Technical and Further Education ..	10 500 000	7 998 600	- 2 501 400
Deserted Wives	3 860 000	4 517 005	+ 657 005
Medibank Recoup—Tuberculosis and Exotic Diseases ..	..	908 658	+ 908 658
Other	367 000	612 539	+ 245 539
	<u>1 113 246 000</u>	<u>1 103 339 369</u>	<u>- 9 906 631</u>
Proceeds of Loans Raisings	240 142 000	240 142 000	..
Loan Repayments	13 000 000	14 861 887	+ 1 861 887
Works Grants—Commonwealth Payments—			
Capital Assistance	120 071 000	120 071 000	..
School Building	49 286 000	52 937 956	+ 3 651 956
Urban Public Transport	4 560 000	7 050 000	+ 2 490 000
	<u>173 917 000</u>	<u>180 058 956</u>	<u>+ 6 141 956</u>
Total Receipts	<u>3 282 800 000</u>	<u>3 294 890 574</u>	<u>+ 12 090 574</u>

EXPENDITURE

The expenditure from the Consolidated Fund exceeded that for 1976-77 by an amount of \$339 270 789. A comparison of the figures for the two years, separated into special and annual appropriations, is given in the following statement :—

SPECIAL APPROPRIATION			
	1976-77	1977-78	+ Increase - Decrease
	\$	\$	\$
Interest including Exchange	226 451 514	256 464 652	+ 30 013 138
National Debt Sinking Fund	30 584 040	32 827 377	+ 2 243 337
Repayment of Advances—Commonwealth— State Housing and Soldier Settlement ..	7 703 074	8 521 353	+ 818 279
Loan Management, Flotation Expenses, &c.	1 214 775	1 200 955	- 13 820
	<u>265 953 403</u>	<u>299 014 337</u>	<u>+ 33 060 934</u>
Hospitals and Charities Fund (Totalizator)	42 745 364	44 950 011	+ 2 204 647
Pensions	51 480 400	64 523 766	+ 13 043 366
Hospitals and Charities and Mental Hospitals Funds (Tattersall)	59 860 015	72 129 654	+ 12 269 639
Endowments and Grants	11 093 335	17 529 303	+ 6 435 968
Payment to Commonwealth of Share of Royalties—Submerged Lands	14 863 549	21 943 771	+ 7 080 222
Forestry Fund	7 631 056	7 504 920	- 126 136
Municipalities Assistance Fund	6 500 000	2 600 000	- 3 900 000
Historical and Community Projects Fund ..	..	3 100 000	+ 3 100 000
Other	7 974 095	8 576 166	+ 602 071
	<u>468 101 217</u>	<u>541 871 928</u>	<u>+ 73 770 711</u>
Railways—Debt Charges	17 370 574	21 439 993	+ 4 069 419
Pensions	16 262 890	19 591 053	+ 3 328 163
Other	761 886	798 818	+ 36 932
	<u>34 395 350</u>	<u>41 829 864</u>	<u>+ 7 434 514</u>
Works and Services Account	435 844 090	435 426 999	- 417 091
Total Special Appropriation	<u>938 340 657</u>	<u>1 019 128 791</u>	<u>+ 80 788 134</u>
ANNUAL APPROPRIATION			
Education	811 578 727	921 666 992	+110 088 265
Health	304 105 367	337 879 577	+ 33 774 210
Chief Secretary	122 560 357	141 326 564	+ 18 766 207
Treasurer	99 296 333	115 438 126	+ 16 141 793
Social Welfare	70 167 074	84 699 155	+ 14 532 081
Public Works	44 606 410	50 713 132	+ 6 106 722
Water Resources	41 400 815	46 461 343	+ 5 060 528
Agriculture	37 344 215	38 632 905	+ 1 288 690
Transport	34 649 242	37 630 689	+ 2 981 447
Attorney-General	32 201 149	35 634 737	+ 3 433 588
State Development and Decentralization ..	24 073 850	28 845 731	+ 4 771 881
Arts	20 550 438	24 058 443	+ 3 508 005
Lands and Survey	19 357 315	22 030 439	+ 2 673 124
Conservation	16 302 494	20 116 602	+ 3 814 108
Premier	12 564 598	15 320 032	+ 2 755 434
Forests	9 578 398	10 617 297	+ 1 038 899
Local Government	7 507 490	9 058 124	+ 1 550 634
Labour and Industry	5 946 016	6 398 648	+ 452 632
Minerals and Energy	5 512 084	5 807 144	+ 295 060
Parliament	3 411 132	3 610 323	+ 199 191
Planning	2 890 921	3 559 610	+ 668 689
Housing	1 243 862	1 579 468	+ 335 606
Youth, Sport and Recreation	1 035 209	1 209 749	+ 174 540
Consumer Affairs	586 661	780 128	+ 193 467
Railway Construction	215 789	227 989	+ 12 200
Property and Services .. ..	..	8 780	+ 8 780
	<u>1 728 685 946</u>	<u>1 963 311 727</u>	<u>+234 625 781</u>
Railways	288 593 182	312 450 056	+ 23 856 874
Total Annual Appropriation	<u>2 017 279 128</u>	<u>2 275 761 783</u>	<u>+258 482 655</u>
Total Expenditure*	<u>2 955 619 785</u>	<u>3 294 890 574</u>	<u>+339 270 789</u>

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

Most of the expenditure shown in the foregoing statement has been classified under departmental headings and is discussed in subsequent sections.

A major expenditure group, which comprises endowments and subsidies, contributions to various funds and bodies, and grants for health, education and other social services, is provided partly from special appropriations and partly from departmental votes. Generally, throughout the Report, expenditure falling within this group is included in the figures of the related Department. Other details are provided in Appendices A 1-2.

In the synopsis hereunder, the actual expenditure for the year is compared with the amounts appropriated for the various Departments and Services.

	Appropriations	Expended Under Parliamentary Authority	Unexpended	Expended From Treasurer's Advance—Division 403	Expenditure for the Year
	\$	\$	\$	\$	\$
<i>Annual Appropriation—</i>					
Parliament	3 805 831	3 591 773	214 058	18 550	3 610 323
Premier	15 471 112	15 072 999	398 113	247 033	15 320 032
Arts	23 635 890	23 566 980	68 910	491 463	24 058 443
Chief Secretary	139 687 189	139 564 473	122 716	1 762 091	141 326 564
Social Welfare	80 494 376	79 589 848	904 528	5 109 307	84 699 155
Youth, Sport and Recreation	1 165 915	1 151 563	14 352	58 186	1 209 749
Labour and Industry	6 419 132	6 379 825	39 307	18 823	6 398 648
Consumer Affairs	787 075	776 833	10 242	3 295	780 128
Education	920 520 901	916 489 650	4 031 251	5 177 342	921 666 992
Attorney-General	35 796 431	35 479 671	316 760	155 066	35 634 737
Treasurer	175 792 479*	112 942 010	62 850 469*	2 496 116	115 438 126
Conservation	20 113 479	19 862 090	251 389	254 512	20 116 602
Lands and Survey	21 264 348	21 238 237	26 111	792 202	22 030 439
Public Works	50 910 295	50 150 715	759 580	562 417	50 713 132
Property and Services .. .. .	.. .. .	.. .. .	.. .. .	8 780	8 780
Local Government	9 155 507	8 970 370	185 137	87 754	9 058 124
Planning	3 286 786	3 283 495	3 291	276 115	3 559 610
Minerals and Energy	5 942 387	5 775 667	166 720	31 477	5 807 144
Agriculture	38 195 205	37 843 629	351 576	789 276	38 632 905
Health	305 748 768	299 974 561	5 774 207	37 905 016	337 879 577
State Development and Decentralization	28 580 384	28 073 392	506 992	772 339	28 845 731
Housing	1 537 266	1 491 751	45 515	87 717	1 579 468
Railway Construction	256 400	227 989	28 411	..	227 989
Transport	37 656 900	37 629 194	27 706	1 495	37 630 689
Forests	10 258 897	10 053 708	205 189	563 589	10 617 297
Water Resources	46 577 638	45 904 536	673 102	556 807	46 461 343
Railways	310 677 000	310 676 959	41	1 773 097	312 450 056
Total Annual Appropriation	2 293 737 591	2 215 761 918	77 975 673	59 999 865	2 275 761 783
<i>Special Appropriation—</i>					
Debt Charges and Other Services	541 871 927	541 871 927	..	..	541 871 927
Railways (including Debt Charges) Works and Services Account	41 829 865	41 829 865	..	..	41 829 865
	435 426 999	435 426 999	..	..	435 426 999
Total Special Appropriation	1 019 128 791	1 019 128 791	..	..	1 019 128 791
Grand Total	3 312 866 382	3 234 890 709	77 975 673	59 999 865	3 294 890 574

* Includes \$60 000 000—Div. 403, Advance to Treasurer.

Section 2 of the *Appropriation (1977-78, No. 1) Act 1977* authorises the Treasurer to issue out of the Consolidated Fund and apply to the services specified in the Act such amounts as are payable during 1977-78 in respect of increases in salaries and associated expenditure resulting from any Act or determination to the extent that the amounts specified in the Appropriation Act are insufficient to provide for the payment of such salary increases. Amounts so authorised by the Treasurer during the year totalled \$23 581 741.

Certain of the additional salary costs arising from the awards in question were met from savings in the existing appropriations and from Division 403, Advance to Treasurer. The amount actually issued out of the Consolidated Fund by virtue of the authority cited was \$14 860 801, and this amount is included in the figure in the statement above for Total Annual Appropriation \$2 293 737 591.

TREASURER'S ADVANCE

The *Public Account Act 1958* authorises the temporary issue and application from the Public Account of any sum or sums (not exceeding in all \$15 million) required to be provided for advances to the Treasurer to enable him to meet urgent claims that may arise before Parliamentary sanction therefor is obtained. In addition, a further sum of \$60 000 000 was available to the Treasurer in 1977-78, under the authority of the *Appropriation (1977-78, No. 1) Act 1977* (Division 403).

Expenditure incurred by the Treasurer pending Parliamentary sanction thereto at 30 June 1978 is summarized hereunder—

Authority	S
Appropriation (1977-78, No. 1) Act 1977	59 999 866
Public Account Act 1958	657 091
	60 656 957

On pages 24 to 91 of the Treasurer's Statement, details are given of the amounts included in the total of \$59 999 866 charged to Treasurer's Advance under authority of the *Appropriation (1977-78, No. 1) Act 1977*.

The amount of \$657 091 was charged to Treasurer's Advance under authority of the *Public Account Act 1958* pending Parliamentary sanction in relevant Works and Services Acts. Details of this amount are given on pages 112 and 113 of the Treasurer's Statement.

VARIATIONS OF ANNUAL APPROPRIATIONS

VARIATIONS IN ACCORDANCE WITH SECTION 25, AUDIT ACT 1958

In respect of the year under review, the Treasurer has sought and obtained, in a number of instances, the direction of the Governor in Council as provided in sub-section (1) of Section 25 of the *Audit Act 1958*. The provisions of this sub-section are :—

“If in the opinion of the Treasurer it is necessary to alter the proportions assigned to the particular items comprised under any subdivision in the annual supplies, it shall be lawful for the Governor in Council by Order to direct that there shall be applied in aid of any item that is deficient a further limited sum out of any surplus arising on other items under the same subdivision, unless such subdivision is expressly stated to be inalterable.”

In all, 380 transfers were made between items and the amount involved was \$8 481 022.

Sub-section (2) of Section 47 of the *Audit Act* directs that the Auditor-General shall annex or append to his Report a statement setting out briefly the effect of the Orders in Council issued under the provisions cited above. In compliance with this direction, a statement containing the relevant information is submitted in Appendix C to this Report.

LOAN TRANSACTIONS

SYNOPSIS

The State incurred additional loan liability of \$240 142 000 on account of moneys raised for works and associated purposes during the year, compared with \$228 723 700 in the previous year—an increase of \$11 418 300. The sources of the funds were two loans in Australia and the proceeds of the sales of Australian Savings Bonds.

Loan receipts comprising moneys received from the proceeds of loans raised and the repayment of advances may be summarised as follows :—

Liability—	\$
Australian Loans	110 609 000
Australian Savings Bonds	129 533 000
Repayments	14 861 887
Receipts to the Consolidated Fund—Raisings and Repayments	255 003 887

Loan transactions for the year had the effect of increasing the State's liability under the Financial Agreement from \$3 023 970 121 at 30 June 1977, to \$3 223 213 797 at 30 June 1978. There is, however, additional liability to the Commonwealth in respect of advances for housing purposes under Commonwealth—State Housing Agreements and, also, in respect of advances made to the State for a variety of purposes pursuant to Commonwealth—State agreements and arrangements.

LOAN RAISINGS

Details of the terms and conditions in respect of \$240 142 000, the Victorian proportion of raisings for works and associated purposes, are as follows :—

Rate Per Cent.	Maturity Date	Price of Issue	Loan No. 239	Loan No. 244	Australian Savings Bonds	Total
		\$	\$	\$	\$	\$
8·9	15.9.80	Par.	..	12 644 000	..	12 644 000
9	1.9.85	..	..	..	33 400 000	33 400 000
9·1	15.7.83	..	..	12 644 000	..	12 644 000
9·1	15.7.88	..	..	12 644 000	..	12 644 000
9·1	15.10.96	..	..	12 644 000	..	12 644 000
9·25	1.7.85	..	..	..	21 400 000	21 400 000
9·7	15.2.79	..	6 979 000	..	..	6 979 000
9·75	1.7.85	..	..	..	14 700 000	14 700 000
10	1.12.84	..	..	..	60 033 000	60 033 000
10·2	15.7.82	..	9 345 000	..	..	9 345 000
10·4	15.5.87	..	43 709 000	..	..	43 709 000
			60 033 000	50 576 000	129 533 000	240 142 000

Expenses associated with the raising of loans for works purposes were met from the Consolidated Fund, a total amount of \$331,441 being paid during the year. The expenses in respect of loan No. 239 and Australian Savings Bonds Series, 9, 10 and 11 are not yet known and will be met in the current year.

Particulars of loans raised to meet the conversion of securities which matured in 1977-78 are:—

Securities Dealt With		Redeemed by Sinking Fund	Converted to—			
Rate and Maturity	Amount		Amount	Rate	Price of Issue	Date of Maturity
	\$	\$	\$		\$	
5 15.7.77	40 326 300	2 049 300	9 558 000	9.7	Par.	15.2.79
	..	..	7 268 000	10.2	"	15.7.82
	..	..	20 883 000	10.4	"	15.5.87
	..	..	568 000	A.S. Bonds	"	1.12.84
5.9 15.7.77	13 353 000	2 104 000	9 986 000	9.7	"	15.2.79
	..	..	141 000	10.2	"	15.7.82
	..	..	1 049 000	10.4	"	15.5.87
	..	..	73 000	A.S. Bonds	"	1.12.84
8.5 15.7.77	80 067 000	1 277 000	23 054 000	9.7	"	15.2.79
	..	..	24 655 000	10.2	"	15.7.82
	..	..	31 039 000	10.4	"	15.5.87
	..	..	42 000	A.S. Bonds	"	1.12.84
8.5 15.10.77	42 549 000	529 000	20 244 000	9.6	99.93	15.5.79
	..	..	2 157 000	10	Par.	15.7.82
	..	..	2 088 000	10.2	"	15.9.87
	..	..	17 531 000	10.2	"	15.10.96
8.5 15.2.78	66 942 000	761 000	25 599 000	8.9	"	15.7.80
	..	..	19 382 000	9.1	"	15.5.83
	..	..	10 621 000	9.2	"	15.7.88
	..	..	10 579 000	9.2	"	15.10.96
7 1.4.78	11 403 602	5 799 602	5 604 000	A.S. Bonds	"	1.9.85
5 15.5.78	37 449 000	3 890 000	1 682 000	8.9	"	15.9.80
	..	..	16 879 000	9.1	"	15.7.83
	..	..	7 871 000	9.1	"	15.7.88
	..	..	6 224 000	9.1	"	15.10.96
	..	..	903 000	A.S. Bonds	"	1.9.85
8.5 15.5.78	43 074 000	345 000	7 430 000	8.9	"	15.9.80
	..	..	6 032 000	9.1	"	15.7.83
	..	..	13 836 000	9.1	"	15.7.88
	..	..	15 431 000	9.1	"	15.10.96
	335 163 902	16 754 902	318 409 000			

There were no loan proceeds applied to the redemption of securities in 1977-78 other than from Australian Savings Bonds.

Funds for the redemption of Special and Australian Savings Bonds at maturity or on request by holders were provided from the proceeds of Australian Savings Bonds of later issues and from the National Debt Sinking Fund. Details are:—

Redeemed				Funds Provided by—	
Series	Maturing	Face Value	At Cost of—	Source	Amount
		\$	\$		\$
Special Bonds U ..	1.4.78	6 276 102	6 459 620	Savings Bonds— Series 8 " 11 National Debt Sinking Fund	8 151 418 221 971 12 353 502
" " V ..	1.10.78	717 900	732 258		
" " W ..	1.8.82	192 500	194 425		
" " X ..	1.10.82	400 700	404 707		
" " Y ..	1.1.83	545 800	551 258		
" " Z ..	1.1.83	268 200	270 882		
" " 2A ..	1.4.81	64 800	65 479		
" " 2B ..	1.4.81	321 900	325 119		
" " 2C ..	1.10.80	3 792 700	3 830 627		
" " 2D ..	1.6.82	3 185 200	3 217 052		
" " 2E ..	1.1.83	1 416 400	1 430 564		
" " 2F ..	1.7.83	2 005 300	2 005 300		
Savings Bonds 4 ..	1.4.84	580 600	580 600		
" " 5 ..	1.6.84	245 300	245 300		
" " 6 ..	1.6.84	141 200	141 200		
" " 7 ..	1.8.84	272 500	272 500		
		20 427 102	20 726 891		20 726 891

Public Debt under the Financial Agreement

The Public Debt statement in the Treasurer's Finance Statement shows that the total indebtedness at 30 June 1978 amounted to \$3 244 645 742. Of this, \$3 222 352 198 represented internal and \$22 293 544 external borrowing. After allowing for cash at credit of the National Debt Sinking Fund, the State's capital liability to the Commonwealth under the Financial Agreement was \$3 223 213 406, an increase of \$199 243 285 for the year. The capital liability was accounted for in the Treasurer's Statement as follows :—

	\$	\$
Total liability apportioned between the various services of the State on account of loan raisings .. .. .	..	3 857 334 582
<i>Less—Exchange premium—</i>		
London	4 275 725	
New York	20 539 954	
Canada	2 058 613	
Switzerland	1 626 859	
Netherlands	690 001	
	<hr/>	29 191 152
		<hr/>
		3 828 143 430
<i>Less—Equity in National Debt Sinking Fund—Cancelled Securities ..</i>		583 497 688
		<hr/>
Total Indebtedness		3 244 645 742
<i>Less—Share of Cash—National Debt Sinking Fund</i>		21 432 336
		<hr/>
State's Capital Liability to Commonwealth under the Financial Agreement ..		3 223 213 406
		<hr/>

A summary of transactions for the year ended 30 June 1978 is given in Statement No. 2 appended to this Report.

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

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

	\$
Interest—On Funded Debt	239 447 923
Loan Management, Flotation and Conversion Expenses and Expenses of Paying Interest	1 200 955
	<hr/>
Total Interest and Expenses (excluding interest on Commonwealth advances for Housing, etc.)	240 648 878
Sinking Fund—State's Contribution to National Debt Sinking Fund ..	33 457 674
	<hr/>
Total Debt Charges	274 106 552
	<hr/>
The comparable figure for the previous year was	241 622 694
	<hr/>

National Debt Sinking Fund

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

	\$	S
Balance at 1 July 1977		7 801 284
Contributions 1977-78—		
Commonwealth	8 540 124	
State	33 457 674	
		41 997 798
Interest—temporary investment and repurchased securities		173 123
		49 972 205
Securities repurchased and redeemed, \$28 410 341, at a cost of		28 539 869
		21 432 336
Balance of cash in Sinking Fund at 30 June 1978		21 432 336

The total amount of securities repurchased or redeemed and cancelled on account of this State since the inception of the scheme is now \$583 497 688, at a cost, including exchange on overseas purchases, of \$606 232 057.

WORKS AND SERVICES PROGRAM

Loan receipts comprising moneys received from the proceeds of loans raised and the repayments of advances totalled \$255 003 887, which, together with the Commonwealth works grants of \$180 058 956, provided a credit to the Consolidated Fund of \$435 062 843, as follows :—

	\$
Loan Receipts—Raisings and Repayments	255 003 887
Commonwealth Capital Assistance Grant	120 071 000
School Building Grants	52 937 956
Urban Public Transport Grants	7 050 000
	435 062 843

Appropriations during the year from the Consolidated Fund to the Works and Services Account totalled \$435 426 999, which, together with the balance of \$25 555 675 brought forward from 1976–77, allowed for the implementation through this Account of a program of works and services to the extent of \$460 982 674. Expenditure under the Works and Services Program in the year 1977–78 amounted to \$443 409 481, compared with \$438 439 605 in 1976–77. Details of this expenditure are shown below :—

	1976–77 \$	1977–78 \$
School Buildings	138 369 691	152 788 099
Country Water and Sewerage Works	42 144 539*	46 706 567
Railways	41 205 559	44 410 729
Hospitals and Charitable Institutions	29 327 207	37 651 686
Melbourne and Metropolitan Board of Works	42 100 000	26 500 000
Victorian Arts Centre	9 700 000	15 000 000
Public Buildings	18 675 321	14 234 348
Electricity Commission	14 000 000	..
Forests	10 283 134	13 435 181
Mental Institutions including Alcoholism Services	10 329 911	10 918 613
Police Buildings and Equipment	9 453 551	9 698 696
Victorian Development Corporation	5 200 000	5 750 000
Social Welfare	4 734 052	5 675 086
Crown Lands—Development and Improvement	4 161 775	4 297 798
Teacher Housing Authority	3 800 000	3 800 000
Municipal Subsidies	4 917 960	3 696 191
Electronic Data Processing .. .. .	..	3 394 462
Court Houses	3 872 510	3 332 649
State Rural Employment Scheme .. .. .	..	3 094 972
Cancer Institute	8 000 000	2 999 843
National Parks	1 800 000	2 250 000
Agriculture	2 659 072	1 998 830
Mentally Retarded Children's Centres	3 277 075	1 772 504
Pre-School and Pre-Natal Centres	1 599 880	1 748 947
Elderly Citizens Subsidies	1 243 787	1 658 176
Rural Finance Commission—		
Finance Branch and Farm Water Supply	1 685 000	1 650 000
Land Settlement	1 215 000	862 054
Fishing Industry .. .. .	..	500 000
Agency Department	835 000	450 000
Beef Industry	568 000	125 000
Wharves and Jetties	1 083 095	1 527 661
Victorian Film Corporation	573 938	1 418 857
Foreshore Protection Works	1 145 700	1 327 542
Soil Conservation Authority	1 097 290	1 174 825
Performing Arts Centre	292 148	1 124 639
Urban and Regional Development Planning Studies .. .. .	..	1 068 565
City Square—Loan to Melbourne City Council .. .. .	..	1 000 000
Lands Department—Maintenance, Equipment, etc.	1 069 631	873 438
State and Latrobe Library	478 499	819 074
Country Roads Board	896 000	799 000
Bush Nursing Hospitals	792 555	798 700
Melbourne and Metropolitan Board of Works—Fluoridation Expenses	2 505 444	761 560
Minerals and Energy Department	603 510	761 446
Sanatoria and General Health	688 535	751 628
Advances—Sundry	1 232 050	772 949
Other Public Works and Services	10 823 186	8 029 166
Total—Works and Services Account	438 439 605	443 409 481

*Excludes Fluoridation Expenses which are shown separately in this statement under Melbourne and Metropolitan Board of Works—Fluoridation Expenses.

Unexpended appropriations held in the Works and Services Account at 30 June 1978, amounted to \$17 573 193.

PART IV—TRUST FUND AND SPECIAL ACCOUNTS

Synopsis

Itemised Trust Funds and Special Accounts are included in the Treasurer's Statement. The balances of all funds and accounts are held by way of investment or on general account and the operations of many are regulated by statute. The transactions recorded annually are numerous and, in total, of considerable magnitude, debits to all funds and accounts in 1977-78 aggregating \$3 442 351 393 and credits, \$3 452 820 649.

Summaries of the transactions in the various Trust Funds for the year are given in the Treasurer's Finance Statement at pages 94 to 102 and at pages 104 to 111. Details of investments held by the Trust Accounts and included in the balances at 30 June 1978 are shown on page 103 of the Statement.

Statement No. 3 appended to this Report summarises the State's liability in respect of trust moneys and securities lodged with the Treasurer.

New Funds and Accounts

New funds and accounts were opened during the year under the heads shown and for the purposes indicated hereunder.

Account or Fund	Purpose for which Established	1977-78		Balance 30 June 1978
		Debits	Credits	
		\$	\$	\$
Australian Arbo-Encephalitis Program Trust Account	To record the receipt of Commonwealth funds and their transfer to the Consolidated Fund for the purpose of controlling the mosquito population in the Murray Valley	..	43 083	43 083
Australian Red Cross Society Building Trust Account	To record the receipt and disbursement of funds provided by the Commonwealth, pursuant to the Commonwealth-State Blood Transfusion Service agreement, in connection with the Red Cross Blood Transfusion Service Building in South Melbourne	314 227	512 500	198 273
Bingo Fund	To receive fees and other charges payable under the <i>Lotteries Gaming and Betting (Raffles and Bingo) Act 1977</i>	252 326	402 220	149 894
Coal Research Levies Fund	To record the receipt and disbursement of the levy payable for increased coal research	..	9 653	9 653
Commonwealth Education Program for Unemployed Youth Trust Account	To record the receipt and disbursement of moneys received from the Commonwealth in connection with the funding of courses held for unemployed youth	397 200	399 200	2 000
Commonwealth Grant—Family Support Services Trust Account	To record the receipt and disbursement of funds made available for the financing of family support services to be operated by Local Government and Non-Government Agencies	321 373	489 448	168 075
Commonwealth Indo-Chinese Refugee Children Trust Account	To record the receipt and disbursement of financial assistance received from the Commonwealth for the purpose of emergency education of Indo-Chinese refugee children	25 214	32 000	6 786
Commonwealth Transport Planning and Research (Financial Assistance) 1977 Trust Account	To record the receipt and disbursement of funds received from the Commonwealth for transport planning and research	2 053 578	2 136 000	82 422
Development Fund	To replace the Fund in the Treasury known as the Industrial Development Fund, in accordance with the provisions of the <i>State Development Decentralization and Tourism Act 1978</i>	473 877	675 970	202 093
Emergency Relief Welfare Grants Trust Account	To record transactions relative to a grant received from the Commonwealth (\$50 000) and a matching contribution from the State for grants to welfare organizations providing relief to needy families suffering hardships through stand-downs arising from the power strike	100 000	100 000	..
Fairfield Hospital Quarantine Unit Trust Account	To record the receipt and disbursement of moneys received from the Commonwealth in connection with the construction of a high security quarantine unit at Fairfield.	21 658	200 000	178 342

Account or Fund	Purpose for which Established	1977-78		Balance 30 June 1978
		Debits	Credits	
		\$	\$	\$
Fire Research Study	To record the receipt and disbursement of moneys made available by the Commonwealth National Parks and Wild Life Service to finance a Fire Research Study in the north-west district parks	13 567	26 000	12 433
Heavy Metals Study	To record transactions relative to a grant of \$30 000 received from the Australian Environment Council to enable the Ministry of Conservation to undertake a study on the effects of heavy metals on temperate marine ecosystems	6 591	30 000	23 409
Historical and Community Projects Fund	To record the receipt from the Consolidated Fund of duty in respect of Gold Lottery Tattersall Consultations and the application thereof to the establishment of, additions to or maintenance and staffing of, historical or community projects	1 824 589	3 100 000	1 275 411
Inverloch Foreshore Reserve Trust Account	To record income and expenditure by the Department of Crown Lands and Survey in its administration of Inverloch Foreshore Reserve	33 231	37 251	4 020
Police Stations' Trust Account	To record the receipt and disbursement of surplus funds in the various Police Stations' Trust Accounts	..	795 000	795 000
School Vacation Care Program (Commonwealth) Trust Account	To record the receipt and disbursement of funds received from the Commonwealth for the purpose of the School Vacation Care Program	215 392	286 000	70 608
State Grants (Roads) Act 1977 Trust Account	To record the receipt and disbursement of grants available from the Commonwealth for roadworks over the three years 1977-78 to 1979-80	98 029 010	98 900 000	870 990
State Grants (Schools Assistance) 1977—Joint Programs	To record the receipt and disbursement of grants received from the Commonwealth in relation to Schools under the <i>States Grants (Schools Assistance) Act 1977</i>	1 306 283	3 349 678	2 043 395
State Grants (Schools Assistance) 1977—Non-Government Programs	To record the receipt and disbursement of grants received from the Commonwealth in relation to Schools under the <i>States Grants (Schools Assistance) Act 1977</i>	34 197 238	35 405 635	1 208 397
State Grants (Tertiary Education Assistance)—C.A.E. Trust Account	To record the receipt and disbursement of financial assistance received from the Commonwealth for Colleges of Advanced Education	93 346 995	93 346 995	..
State Grants (Tertiary Education Assistance)—T.A.F.E. Trust Account	To record the receipt and disbursement of financial assistance received from the Commonwealth for Technical and Further Education Institutions	1 938 691	2 200 000	261 309
State Grants (Tertiary Education Assistance)—Universities Trust Account	To record the receipt and disbursement of financial assistance received from the Commonwealth for Universities	89 324 865	89 324 865	..
Railways Salaries and Wages in Suspense Account 1977-78	To record, as an initial charging account, payments in 1977-78 by Victorian Railways for salaries and wages which are legally chargeable in that financial year	270 866 525	270 866 525	..
River Murray Commission Trust Account	To record the receipt and disbursement of funds in connection with the accounting activities of the River Murray Commission (other than its responsibility for Dartmouth Dam)	835 515	947 244	111 729
Werribee Park Estate Trust Account	To record the receipt and disbursement of private funds received for specific purposes and projects at Werribee Park	10 397	11 500	1 103
Wilson's Promontory Lighthouse Track	To record transactions relative to a grant of \$76 000 from the Commonwealth towards the construction of a lighthouse track at Wilson's Promontory National Park	22 738	80 536	57 798

Accounts Closed

By direction of the Treasurer under the authority of sub-sections (4) and (5) of Section 8 of the *Public Account Act* 1958, Trust Accounts, in respect of which appropriate particulars are given hereunder, were closed during the financial year 1977-78.

Account	Balance at date of closing	Remarks
Commonwealth Grant Flood Damages Restoration Account	\$ 583.38	This account was opened in 1934-35 pursuant to the <i>Loan Appropriation (Unemployment Relief) Act</i> 1934 by which moneys were made available for the relief of unemployment. As no transactions have taken place in this account since 1940-41, the balance was transferred to the Consolidated Fund.
Albury-Wodonga Archaeological Survey Trust Account	..	This account was opened in 1975-76 to record the receipt and disbursement of funds made available by the Albury-Wodonga Development Corporation for an Archaeological Survey of the Albury-Wodonga area. The survey has now been completed.

Current Funds and Accounts

The Treasurer's form of presentation of the Trust Fund lists the many accounts comprising the Fund in four main categories, namely—

- State Government Funds.
- Joint Commonwealth and State Funds.
- Commonwealth Government Funds.
- Bequests, Deposits, Donations and Research.

In the following paragraphs are discussed certain of the major funds which are included in these categories but which cannot appropriately be commented upon under departmental headings throughout Part V of the Report.

STATE GOVERNMENT FUNDS

The accounts included in this category are those established to receive and expend moneys received under statutory provisions or Parliamentary appropriations, operating accounts for various Authorities, and departmental suspense and clearing accounts.

Comments on certain of the accounts follow.

Adult Education Fund

This Fund is administered by the Council of Adult Education which is a statutory body established under the *Education Act* 1958 to advise the Minister on matters of general policy relating to adult education and to plan and supervise the administration and development of adult education in Victoria. The Council may also organise and conduct such lectures, classes, courses, vacation schools and other activities as it thinks necessary or desirable in connexion with the promotion and encouragement of adult education and, subject to the approval of the Minister, may make payments or advances to local advisory committees.

In addition to an annual statutory contribution of \$50 000 from the Consolidated Fund and any other sums appropriated by Parliament for the purpose, all fees and charges received by the Council in connexion with its activities are paid into the Fund.

The following statement summarises the Council's financial operations in respect to the Adult Education Fund for the past two years:—

	1976-77	1977-78
	\$	\$
<i>Source of Funds—</i>		
Balance from Previous Year	270	..
<i>Government Contributions—</i>		
Special Appropriation—Act No. 6240	50 000	50 000
Departmental Vote—Education	1 309 103	1 512 055
<i>Fees and Proceeds—</i>		
Classes and lectures	643 341	736 743
Special Activities—Schools, Library	63 823	95 376
Discussion Groups, H.S.C., Literacy, Basic Education	141 918	155 867
Miscellaneous	588	845
	<u>2 209 043</u>	<u>2 550 886</u>
<i>Disbursement of Funds—</i>		
Administration—Salaries	760 429	849 573
General Expenses	452 581	508 420
	<u>1 213 010</u>	<u>1 357 993</u>
Classes and lectures	510 677	580 450
Schools' Conferences, Publications, Library	220 099	292 641
Discussion Groups, H.S.C., Literacy, Basic Education, Extension and Liaison	265 257	319 800
Balance 30 June .. .. .	..	2
	<u>2 209 043</u>	<u>2 550 886</u>

Dried Fruits Fund

The Victorian Dried Fruits Board is responsible for the control of the marketing, in Victoria, of dried fruits produced in the State, the registration of packing houses and the establishment and maintenance of standards in the industry. Its operations are financed from the Dried Fruits Fund, and its accounts are based on a calendar year. The revenue of the Fund is derived almost entirely from statutory contributions made annually by packing houses.

The following summary sets out the transactions of the Board for the years 1976 and 1977.

1976		1977	
\$		\$	\$
<i>Income—</i>			
106 329	Contributions	96 860	
6 593	Other	7 667	
<u>112 922</u>		<u>104 527</u>	
<i>Expenditure—</i>			
9 403	Allowances, Board Members	10 176	
25 987	Salaries, Office Staff	26 752	
38 370	Inspection and Grading	40 525	
25 058	General Expenses	16 739	
<u>98 818</u>		<u>94 192</u>	
<u>14 104</u>	Surplus	<u>10 335</u>	

The reduced surplus was due mainly to a reduction in the pack of Dried Vine Fruits on which the levy payable by packing houses of \$2 per tonne is raised.

At 30 June 1978, the balance at credit of the Fund in the Treasury amounted to \$98 921 and comprised cash \$121 and investments \$98 800 (face value).

Estate Agents' Guarantee Fund

Under the provisions of the *Estate Agents Act 1958*, this Fund, the income of which is provided from fees charged for estate agents' and sub-agents' licences, is available to meet claims for losses incurred because of the non-compliance with certain provisions of the Act by any holder of an estate agent's licence current at the date on which the cause of action originated, or by the employee or sub-agent of such licence holder.

Receipts for the year totalled \$456 946 and claims paid for losses incurred amounted to \$171 580, compared with \$540 paid in 1976-77. 102 claims involving eight agents were met in 1977-78, compared with three claims involving three agents in the previous year.

The surplus of \$285 366 on the year's operations was transferred, in terms of the legislation, to the Consolidated Fund, leaving the statutory maximum in the Fund, namely, \$50 000.

Government Buildings Fire Insurance Fund

This Fund was established pursuant to the *Special Funds Act 1910*. That Act provided for a yearly charge against the Consolidated Fund of \$4 000 and for the crediting of the Fund with interest on the balance of the Fund in excess of \$30 000.

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

Transactions of the Fund during 1976-77 and 1977-78 are summarised below :—

	1976-77	1977-78
	\$	\$
Balance, 1 July	2 254 156	2 411 127
Special Appropriation	4 000	4 000
Income from Investments	152 971	172 352
	<u>2 411 127</u>	<u>2 587 479</u>
Expenditure .. .. .	..	..
Balance, 30 June	<u>2 411 127</u>	<u>2 587 479</u>
Which included Investments of	<u>2 381 000</u>	<u>2 556 500</u>

Application of this Fund is restricted to Government buildings but, under a contract of insurance negotiated by the Insurance Commissioner through the Insurance Council of Australia, a pool of insurers, known as the Government Fire Insurance Pool, provides insurance cover in regard to buildings and other property against fire and other risks to which the Fund is not applicable. Neither of the above schemes applies to property owned by the Railways.

Home Builders' Account

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

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

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

	1976-77	1977-78
	\$	\$
Balance, 1 July	1 444 309	45 593
Interest and Repayments of Principal by Societies	16 249 414	15 579 386
	<u>17 693 723</u>	<u>15 624 979</u>
<i>Disbursement of Funds—</i>		
Advances to Registry of Co-operative Housing Societies	11 560 375	9 477 000
To Commonwealth—Interest and Redemption	5 815 043	5 815 042
To State of Victoria—Administrative Costs	272 712	278 402
	<u>17 648 130</u>	<u>15 570 444</u>
Balance, 30 June	<u>45 593</u>	<u>54 535</u>
	<u>17 693 723</u>	<u>15 624 979</u>

Home Builders' Account No. 2

The hitherto existing arrangements between the Commonwealth and the State in respect of housing finance were altered as from 1 July 1971, with the altered arrangements being intended, at that time, to apply for a five-year period commencing on that date. Legislative sanction for the scheme was given in Act No. 8206 and the Commonwealth's *States Grants (Housing) Act 1971*. The provisions of Act No. 8206 amended the *Co-operative Housing Societies Act 1958* and established an account in the Trust Fund to be known as the "Home Builders' Account No. 2".

As has been stated, these arrangements were intended to apply for a five-year period from 1 July 1971, but, during 1973, the Commonwealth signified, in its *Housing Agreement Act 1973*, that it desired further variations to be made as from 1 July 1973, in the terms under which housing finance was to be made available to the States. Following these variations, money is no longer made available to the Home Builders' Account No. 2 by the State from the Works and Services Account. The only sources of finance are, first, an interest free grant by the Commonwealth to be made available annually for 30 years from the financial year 1971-72, and, secondly, the repayments by societies which had received advances from the Account. Such repayments form a revolving fund similar to the one operating for the Home Builders' Account.

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

	1976-77	1977-78
	\$	\$
Balance, 1 July	718 893	990 510
Grant from Commonwealth	404 250	404 250
Interest and Repayment of Principal by Societies ..	3 071 261	2 683 090
	4 194 404	4 077 850
<i>Disbursement of Funds—</i>		
Advances to Registry of Co-operative Housing Societies..	1 730 000	1 840 000
Interest and Repayments to Treasury re Advances ex Works and Services Account	1 419 279	1 419 279
To State of Victoria—Administrative Costs	54 615	53 710
	3 203 894	3 312 989
Balance, 30 June	990 510	764 861
	4 194 404	4 077 850

Details of Home Builders' Account No. 3 are given on page 37 of this Report.

Insurers Guarantee and Compensation Supplementation Fund

This Fund was established under the *Workers Compensation (Amendment) Act 1975* for the purpose of recompensing employers on account of certain increased liabilities incurred under the Act and to meet claims, awards and judgments against employers where an insurer has failed to provide indemnity under an accident insurance policy.

The Fund was financed by means of a surcharge levied on the premium paid in respect of an "employer's policy" under the *Workers Compensation Act 1958*. However, the prescribed surcharge, which was reduced from a rate of 20 per cent. to 10 per cent. as from 1 October 1976, was abolished altogether as from 15 September 1977.

The following summary sets out the transactions in the Fund during 1976-77 and 1977-78 :—

	1976-77		1977-78	
	\$	\$	\$	\$
Balance, 1 July		35 670 709		59 326 656
Receipts—				
Surcharge Levies	31 374 293		9 148 813	
Income from Investments	3 271 891		7 492 178*	
		<u>34 646 184</u>		<u>16 640 991</u>
		70 316 893		75 967 647
Less Payments—				
Claims	10 926 961		10 322 711	
Administrative Costs	54 258		92 974	
Refunds Approved by the Treasurer	9 018			
		<u>10 990 237</u>		<u>10 415 685</u>
Balance, 30 June		<u>59 326 656</u>		<u>65 551 962</u>
Represented by :—				
Investments		59 321 000		65 550 000
Cash		5 656		1 962
		<u>59 326 656</u>		<u>65 551 962</u>

*Includes discounts of \$1 113 591 taken up in respect of Deposits purchased at a discount and maturing at varying dates up to 17.12.1979.

At 30 June 1978, the investments of the Fund comprised Bank Term Deposits, \$54 504 000, Commonwealth Government Loans, \$6 391 000, and Semi-Government Securities, \$4 655 000.

Action has not yet been taken to resolve the unsatisfactory features of the operation of the Fund which were brought under notice in my previous Report, namely :—

- (a) the legislation does not provide any clear indication as to whether the Treasury or the Insurance Commissioner is responsible for the administration of the Fund;
- (b) the absence in the legislation of any specific power to examine the records of insurers in relation to the receipt and payment by any administering authority of the surcharge levy ; and
- (c) weaknesses in internal control and associated difficulties in establishing the correctness of amounts receivable by and payable from the Fund.

Mental Hospitals Fund

The *Tattersall Consultations Act 1958* provides for the annual payment from the Consolidated Fund to the Mental Hospitals Fund of amounts determined by the Treasurer from the duty paid by the promoter on Tattersall, Tattsлото and Soccer Football Pool consultations. During 1977-78, duty apportioned to this Fund amounted to \$7 084 051.

The Mental Hospitals Fund may be applied towards the establishment and maintenance of mental hospitals, private mental homes and other institutions within the meaning of the Mental Health Act.

The following statement sets out the transactions for the year and the gross amounts from the inception of the Fund until 30 June 1978 :—

							During the Year	Total
							\$	\$
<i>Receipts</i>								
Balance 1 July 1977	..	..	..	..	..	..	239 238	..
Special Appropriations— <i>Tattersall Consultations Act 1958</i>	..	..			..	..	7 084 051	37 224 568
							<hr/>	<hr/>
							7 323 289	37 224 568
							<hr/>	<hr/>
<i>Payments</i>								
							\$	\$
Capital Works	..	..	..	..	..	..	..	622 000
Maintenance Works	..	..	..	..	..	..	..	300 000
General Expenditure (State Institutions)	..	..	..	..	..	..	..	3 360 216
Maintenance Grants (Other Institutions)	..	..	..	..	..	..	6 869 314	31 544 211
Mental Health Research (University of Melbourne)	..	..	..	..	..	..	20 000	340 000
Capital Grants (Other Institutions)	..	..	..	..	..	..	..	624 166
							<hr/>	<hr/>
							6 889 314	36 790 593
							<hr/>	<hr/>
Balance 30 June 1978	..	..	..	..	..	..	433 975	433 975
							<hr/>	<hr/>

Municipalities Assistance Fund

In addition to subsidies provided from the Consolidated Fund to municipalities, funds are made available to municipalities through the Municipalities Assistance Fund.

The authority for this Fund is in the *Local Government Act 1958* which provides that there shall be paid to the credit of the Fund part of all motor drivers' licence fees and driving instructors' licence fees paid under the *Motor Car Act 1958*, less cost of collection.

The Fund has these functions—to provide subsidies towards the cost of approved works of municipalities and other public bodies, to contribute towards the operating costs of the Country Fire Authority, and to contribute to the Casual Fire Fighters Compensation Fund, whenever, at 30 April in any year, the balance of such compensation fund, less commitments, falls below \$2,000.

When the amount standing to the credit of the Municipalities Assistance Fund is at any time insufficient to meet the sums and contributions authorised to be paid out of the Fund, moneys may be issued and applied from the Consolidated Fund to meet such insufficiency.

Following is a summary of operations in the Fund :—

				1976-77		1977-78	
				\$	\$	\$	\$
Balance, 1 July	..	..	..		1 053 664		4 391 959
Special Appropriation—Act No. 6299	..	..	..		6 500 000		2 600 000
Receipts from Fees—Motor Car Drivers' and Instructors' Licences	..	..	..	2 942 245		3 269 719	
Less Costs of Collection	..	..	..	441 549		403 987	
				<hr/>	2 500 696	<hr/>	2 865 732
					<hr/>		<hr/>
					10 054 360		9 857 691
					<hr/>		<hr/>
<i>Expenditure—</i>							
Contribution to Country Fire Authority					4 666 062		5 647 562
Contribution to Casual Fire Fighters Compensation Fund	..	..	..		1 029		2 637
Subsidies to Municipalities for Works	..	..	..		995 310		999 688
					<hr/>		<hr/>
					5 662 401		6 649 887
Balance, 30 June	..	..	..		4 391 959		3 207 804
					<hr/>		<hr/>
					10 054 360		9 857 691
					<hr/>		<hr/>

Police Pensions Fund

Prior to the provisions of the *Superannuation Act* 1963 becoming effective, this Fund was the sole statutory fund out of which pensions or gratuities were payable to members of the Police Force appointed on or after 25 November 1902.

Interest on investments and the appropriate deductions from pay of those members of the Force remaining as contributors to this scheme are credited to the Fund.

In accordance with the provisions of Section 4 of the *Pensions Supplementation Act* 1966, regular fortnightly transfers of moneys were made from the Police Pensions Fund to the Pensions Supplementation Fund to meet the cost of supplementing police pensions and police widows' pensions. Transfers for the year totalled \$2 225 166.

During the year, an amount of \$3 941 000 was paid into the Fund from the Consolidated Fund, pursuant to the provisions of the *Police Regulation Act* 1958, to meet the Fund's increasing financial commitments.

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

					1976-77	1977-78
					\$	\$
<i>Receipts</i>						
Contribution from Consolidated Fund—Vote	..	..	..	..	1 986 100	3 941 000
Deductions from pay	..	..	..	..	107 933	103 143
Interest on investments	..	..	..	..	43 116	..
Balance in hand—1 July	..	..	..	..	1 517 817	5 858
					3 654 966	4 050 001
<i>Disbursements</i>						
Pensions	..	..	..	..	1 722 376	1 749 693
Gratuities	..	..	..	..	5 140	4 407
Deductions refunded—on resignation	..	..	..	..	57 762	67 374
Pensions Supplementation Fund	..	..	..	..	1 863 830	2 225 166
					3 649 108	4 046 640
Balance, 30 June	..	..	..	..	5 858	3 361

Police Superannuation Fund

This Fund is the source from which pensions are payable in respect of members of the Police Force who were appointed before 25 November 1902.

Income of the Fund was \$5 075 which comprised the State's contribution of \$4 000, and fines amounting to \$1 075. Pension payments totalled \$3 436.

Port Phillip Pilot Sick and Superannuation Fund

To provide retiring allowances or gratuities to sea pilots of the port of Port Phillip, the *Marine Act* 1958 stipulates that out of the Pilots' Salary Fund (which receives all moneys paid for pilotage) there is payable to the Port Phillip Pilot Sick and Superannuation Fund, at intervals prescribed by the Governor in Council, six per cent. of the amount at credit of the Pilots' Salary Fund. The Governor in Council is empowered to increase or decrease this percentage by not more than two per cent. The percentage was increased to the maximum of eight per cent. of the amount at credit as from 1 January 1974. Provision is made for moneys in the Fund to be invested.

The following summary sets out the transactions in the Fund during 1976-77 and 1977-78 :—

							1976-77	1977-78
							\$	\$
<i>Receipts</i>								
Deductions from Earnings	..	..	..	..	..	..	314 409	338 376
Interest on Investments	..	..	..	..	..	..	158 129	190 514
Balance, 1 July	..	..	..	..	..	..	2 150 663	2 452 462
							<u>2 623 201</u>	<u>2 981 352</u>
<i>Payments</i>								
Pensions	..	..	..	..	..	..	162 775	238 220
Actuarial and Consulting Fees	..	..	..	..	..	..	7 964	5 854
							<u>170 739</u>	<u>244 074</u>
Balance, 30 June	..	..	..	..	..	..	2 452 462	2 737 278
Represented by :—								
Investments	..	..	..	..	..	..	2 381 020	2 687 020
Cash	..	..	..	..	..	..	71 442	50 258
							<u>2 452 462</u>	<u>2 737 278</u>

Roads (Special Projects) Fund

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

The moneys so provided may be applied, at the discretion of the Treasurer, for or towards the cost of such special projects for the construction and improvement of roads (including bridges and traffic control installations and items) as are approved by the Governor in Council.

Transactions of the Fund for the years 1976-77 and 1977-78 are set out below :—

							1976-77	1977-78
							\$	\$
Balance, 1 July	..	..	..	..	..	..	829 537	24 639
Receipts—								
Registration Fees	..	..	..	..	..	..	31 591 994	39 063 251
							<u>32 421 531</u>	<u>39 087 890</u>
Expenditure—								
By Country Roads Board	..	..	..	..	..	..	28 963 388	33 456 293
Transfer to Traffic Authority Fund	..	..	..	..	..	..	3 400 000	3 620 000
Acquisition of Floating Dock	..	..	..	..	..	..	33 504	..
West Gate Bridge	..	..	..	..	..	..	..	2 000 000
							<u>32 396 892</u>	<u>39 076 293</u>
Balance, 30 June	..	..	..	..	..	..	24 639	11 597

Works and Services Account

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

The balance of the Account at 1 July 1977, was \$25 555 675 and allocations from the Consolidated Fund during 1977-78 amounted to \$435 426 999. Expenditure, including an amount of \$662 091 disbursed from Treasurer's Advance pending parliamentary sanction thereto, was \$443 409 481, leaving a balance in the Account at 30 June 1978, of \$17 573 193.

Details of the expenditure met from the Account are given on page 26.

JOINT COMMONWEALTH AND STATE FUNDS

The major accounts classified under this head on page 98 of the Treasurer's Finance Statement are the Dartmouth Dam Construction Account, the Victorian Natural Disasters Relief Account and the Cattle Compensation Fund. These accounts are the subject of comment under the relevant departmental headings elsewhere in the Report.

COMMONWEALTH GOVERNMENT FUNDS

The Treasurer is empowered by the Public Account Act to credit suitable accounts in the Trust Fund with special grants made pursuant to any Commonwealth Act and to authorise expenditure therefrom for the purposes prescribed in such Commonwealth Act.

Certain accounts record the receipt of moneys from the Commonwealth for specific purposes and their transmission for disbursement by particular public bodies such as the Universities, Hospitals and Charities Commission, Housing Commission, etc. Reference to these accounts is included in Part V of this Report or in my Supplementary Report. Comments follow on other accounts not so included.

Commonwealth Pharmaceutical Benefits Trust Account

Under the provisions of the National Health Act, the Commonwealth Government makes advances from time to time for the reimbursement to Hospitals for the Aged and the Mental Health Authority of the cost of pharmaceutical benefits supplied. The basis of reimbursement under the Act is determined by the Commonwealth Minister of Health.

Payments to the State from the Commonwealth in respect of pharmaceutical benefits supplied to patients in public hospitals have been included in contributions by the Commonwealth towards net operating costs of public hospitals in accordance with the cost sharing Agreement between the Commonwealth and the State.

The following statement sets out the transactions of the Account during the years 1976-77 and 1977-78 :—

	1976-77	1977-78
	\$	\$
Balance 1 July	659 574	55 074
Received from Commonwealth during the year	1 046 700	1 750 200
	<hr/>	<hr/>
	1 706 274	1 805 274
Expenditure	1 651 200	513 595
Balance 30 June	<hr/>	<hr/>
	55 074	1 291 679

The substantial balance of the Fund at 30 June 1978, \$1 291 679, comprised amounts received from the Commonwealth and held in the Fund pending disbursement to the institutions concerned.

Home Builders' Account No. 3

The arrangements between Commonwealth and State in respect to housing finance were altered as from 1 July 1973 (see reference page 32 of this Report). To facilitate the operation of these altered arrangements, a Trust Account "Home Builders' Account No. 3", was established in the Treasury by authority of the *Housing (Commonwealth-State Agreement) Act 1973* (Act No. 8479).

The sources of finance for this Account are, mainly, moneys received from the Commonwealth and repayments by societies, such repayments forming a revolving fund in a manner similar to the other two Home Builders' Accounts.

A summary of the transactions in the Home Builders' Account No. 3 for the past two years is given hereunder :—

	1976-77	1977-78
	\$	\$
Balance, 1 July	4 948 660	2 913 642
Interest and Repayment of Principal by Societies ..	9 158 656	11 799 949
Advances from Commonwealth	29 448 000	30 528 000
Public Account—Interest Contributions	281 053	346 160
	<hr/>	<hr/>
	43 836 369	45 587 751
<i>Disbursement of Funds—</i>		
Advances to Registry of Co-operative Housing Societies..	35 946 100	36 048 500
To Commonwealth—		
Interest on Instalments	4 095 081	5 355 780
Instalment Redemption	410 540	571 387
Interest on Drawings	281 053	346 160
To State of Victoria—		
Administrative Costs	189 953	260 020
	<hr/>	<hr/>
Total Disbursements.. .. .	40 922 727	42 581 847
Balance, 30 June	2 913 642	3 005 904
	<hr/>	<hr/>
	43 836 369	45 587 751

Commonwealth Local Government Grants Trust Account

Pursuant to the Commonwealth's *Local Government (Personal Income Tax Sharing) Act 1976* and its *Local Government (Personal Income Tax Sharing) Amendment Act 1977*, grants totalling \$42 078 134, representing 1.52 per cent. of net personal income tax collections for 1976-77 in terms of the *States (Personal Income Tax Sharing) Act 1976*, were received from the Commonwealth and disbursed to local governing bodies. The comparable sum in 1976-77 was \$35 398 000.

State Grants (Advanced Education) Trust Accounts—Capital

These accounts record transactions relating to grants of financial assistance to the State by the Commonwealth under the provisions of the *States Grants (Advanced Education) Acts*, the *States Grants (Advanced Education Assistance) Act 1976* and the *States Grants (Tertiary Education Assistance) Act 1977* for advanced education college building projects, equipment of a capital nature and library material.

The following statement summarises the transactions for the past two years :—

	1976-77		1977-78	
	\$	\$	\$	\$
Balance—1 July		76 288		37 812
Add Receipts—Commonwealth Grants..		19 529 789		14 728 297
		<hr/>		<hr/>
		19 606 077		14 766 109
<i>Less—Expenditure—</i>				
Victoria Institute of Colleges and affiliated Colleges	19 568 160		14 728 297	
Agriculture Department	105		223	
	<hr/>	19 568 265	<hr/>	14 728 520
Balance—30 June		37 812		37 589
		<hr/>		<hr/>

State Grants (Advanced Education Recurrent) Trust Account

These amounts were received from the Commonwealth in respect of recurrent expenditure of colleges of advanced education, pursuant to the provisions of the *States Grants (Advanced Education Assistance) Act 1976* and the *States Grants (Tertiary Education Assistance) Act 1977*.

The following statement summarises the transactions for the past two years :—

	1976-77		1977-78	
	\$	\$	\$	\$
Balance—1 July		1 648		1 648
Add Receipts—Commonwealth Grants	90 891 785		96 368 209	
Less Transfer to State College of Victoria and its Constituent Colleges			13 988	96 354 221
		90 893 433		96 355 869
Less Expenditure—				
Victoria Institute of Colleges and affiliated Colleges	90 891 785			96 354 221
Balance—30 June		1 648		1 648

State Grants (Advanced Education) Teachers Colleges Recurrent and Capital Trust Account

Moneys were received from the Commonwealth, pursuant to the provisions of the States Grants (Advanced Education) Acts, the *States Grants (Advanced Education Assistance) Act 1976* and the *States Grants (Tertiary Education Assistance) Act 1977* for recurrent and capital expenditure of the State College of Victoria and its constituent colleges.

The following statement summarises the transactions for the past two years :—

	1976-77		1977-78	
	\$	\$	\$	\$
Balance—1 July				
Add Receipts—Commonwealth Grants	51 509 405		49 393 623	
Add—Transfer from Victoria Institute of Colleges and affiliated Colleges			13 988	49 407 611
		51 509 405		49 407 611
Less Expenditure	51 509 405			49 407 611
Balance—30 June				

State Grants (Grants to Non-Government Schools) Trust Accounts

Pursuant to the provisions of the *States Grants (Schools) Act 1976* and the States Grants (Schools Assistance) Acts, the Commonwealth granted financial assistance to the State for non-government schools, that is, those in which primary or secondary education is not conducted by the State or for the profit of individuals.

The following statement summarises the transactions for the past two years :—

	1976-77		1977-78	
	\$	\$	\$	\$
Balance—1 July		1 723 783		5 236 560
Add Receipts—Commonwealth Grants	56 594 052		61 110 743	
Less Refunds to Commonwealth	757 827	55 836 225	31 123	61 079 620
		57 560 008		66 316 180
Less Expenditure		52 323 448		65 107 783
Balance—30 June		5 236 560		1 208 397

State Grants (Schools) Capital Projects 1973-78 Trust Account

Under the provisions of the *States Grants (Schools) Act 1972*, the Commonwealth made grants of financial assistance to the State for capital projects in government and non-government schools.

The following statement summarises the transactions for the past two years :—

	1976-77		1977-78	
	\$	\$	\$	\$
Balance—1 July		400 522		432 038
Add Receipts—Commonwealth grants		1 805 611		4 358 500
		2 206 133		4 790 538
Less Expenditure		1 774 095		4 745 696
Balance—30 June		432 038		44 842

State Grants (Schools and Schools Assistance) Trust Accounts

Pursuant to the provisions of the *States Grants (Schools) Act 1976*, and the *States Grants (Schools Assistance) Acts*, the Commonwealth provided grants of financial assistance to the State for teacher development, disadvantaged country area schools, general building grants and special education relating to non-government schools and other specified projects.

The following statement summarises the transactions for the past two years :—

	1976-77	1977-78
	\$	\$
Balance—1 July	1 382 744	4 141 141
Add Receipts—Commonwealth Grants (net)	15 041 984	12 173 655
	<hr/>	<hr/>
Less Expenditure	16 424 728	16 314 796
	12 283 587	13 271 820
	<hr/>	<hr/>
Balance—30 June	4 141 141	3 042 976

State Grants (Technical and Further Education) Trust Account and State Grants (Technical and Further Education Assistance) Trust Account

Under the provisions of the *States Grants (Technical and Further Education Assistance) Act 1976* and the *States Grants (Tertiary Education Assistance) Act 1977*, the Commonwealth made available to the State grants of financial assistance to finance specific projects in certain schools.

The following statement summarises the transactions for the two past years :—

	1976-77	1977-78
	\$	\$
Balance—1 July	694 903	1 665 301
Add Receipts—Commonwealth Grants	12 547 342	3 710 400
	<hr/>	<hr/>
Less Expenditure	13 242 245	5 375 701
	11 576 944	4 974 688
	<hr/>	<hr/>
Balance—30 June	1 665 301	401 013

The reduction in the receipts for 1977-78 was due to the fact that the grants by the Commonwealth for reimbursement to the State in respect of training fees no longer charged by Technical Schools, which had previously been paid into this Account, were paid into the Consolidated Fund. Relevant expenditure is now authorised under the Appropriation Act (Vote—Division 307).

MONEYS HELD FOR BEQUESTS, DONATIONS, DEPOSITS AND RESEARCH

The major item included in this category relates to shares of the Gas and Fuel Corporation of Victoria to a value of \$15 643 716 purchased by the State under the provisions of the *Gas and Fuel Corporation Act 1958*.

PART V — DEPARTMENTS, BRANCHES AND AUTHORITIES

AGRICULTURE

The Department of Agriculture is engaged in the administration of legislation relating to primary production, and in research and experimental work, practical farming education and supervision as prescribed by the relevant Acts. In this connexion, information is disseminated and advice, assistance and encouragement given to those engaged in the many branches of the agricultural, horticultural, live stock and dairying industries.

COST TO THE CONSOLIDATED FUND

The expenditure of the Department from the Consolidated Fund for the year was \$42 945 927 against which there were departmental receipts of \$9 082 303 resulting in a net outgoing of \$33 863 624, compared with \$33 752 645 for the previous year. Details of the expenditure and receipts for the two years are :—

<i>Expenditure</i>	1976-77	1977-78
	\$	\$
Vote—		
Agriculture—Salaries, Expenses, Other Services	37 344 215	38 632 905
Treasurer—Workers Compensation Insurance, Pay-roll Tax	1 476 838	1 958 240
Public Works—Maintenance and Rent of Buildings	246 593	232 941
Works and Services Account—Acquisition of Properties, Construction of Works, etc.	2 861 092	2 121 841
	41 928 738	42 945 927
 <i>Receipts</i>		
Departmental Services	7 776 598	8 733 333
Licences—Dairies, Dairy Farms, Dairy Produce Factories, etc.	176 948	131 263
Other—Rents, Hirings, etc.	222 547	217 707
	8 176 093	9 082 303
Net outgoing (excluding debt charges)	33 752 645	33 863 624

TRUST ACCOUNTS

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

Australian Meat Research Account

This account meets the costs of cattle and sheep research projects carried out by the Department under the auspices of the Australian Meat Research Committee. In 1977-78, expenditure for this purpose totalled \$168 333 and was met from the credit balance in the account together with receipts of \$119 190 from the Commonwealth. The unexpended balance at 30 June 1978 was \$26 846.

Commonwealth Extension Services (Agriculture) Grant Account

Expenditure from funds provided by the Commonwealth for purposes of expanding extension services, including applied research and farm management advice, is controlled through this account. In 1977-78, receipts to the account amounted to \$2 220 249 including \$2 214 876 from the Commonwealth, and expenditure totalled \$2 207 036. A balance of \$415 894 remained in the account at 30 June 1978.

Commonwealth Dairy Research Grant Account

Moneys in this account may be expended on the recommendations of the Australian Dairy Produce Board which are based on proposals of the Dairy Produce Research Committee. Such expenditure may be on research in connexion with dairy produce and on dissemination of information concerning the dairy produce industry. Receipts in 1977-78 amounted to \$173 878 and expenditure was \$198 913. The account had a balance of \$42 420 at 30 June 1978.

Commonwealth-State Eradication of Brucellosis and Tuberculosis Account

Funds provided by the Commonwealth to meet costs involved in carrying out the State's part in the national campaign for the eradication of brucellosis and tuberculosis in livestock are held in this trust account. Expenditure under the program for the year amounted to \$4 078 013.

Cattle Compensation Fund and Swine Compensation Fund

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

In 1977-78, receipts of the Swine Compensation Fund amounted to \$134 209 and payments to \$15 682. The balance in the Fund at 30 June 1978, was \$1 081 955. Receipts of the Cattle Compensation Fund, including Commonwealth contributions totalling \$1 688 428, amounted to \$4 046 800 and payments to \$3 630 791. A balance of \$621 197 remained in the Fund at 30 June 1978.

Commonwealth Overseas Aid (Agriculture) Trust Account

Funds provided by the Commonwealth for purposes of technical direction and management of several of Australia's agricultural aid projects in India are controlled through this account. In 1977-78, receipts amounted to \$1 109 856 and payments to \$968 565. The unexpended balance at 30 June 1978 was \$501 291.

ARTS

The Ministry for the Arts was established pursuant to the provisions of the *Ministry for the Arts Act 1972*. The objects of the Ministry are to develop and improve the knowledge, appreciation and practice of the Arts, to increase their availability and accessibility to the public, and to encourage and assist in the provision of facilities to enable the Arts to be performed or displayed.

The cost to the Consolidated Fund of the various branches and functions of the Ministry for 1976-77 and 1977-78 is set out below :—

	Ministry for the Arts Head Office	National Gallery Arts Centre etc.	State Library	National Museum and Science Museum	State Film Centre	Total 1977-78	Total 1976-77
	\$	\$	\$	\$	\$	\$	\$
Vote Expenditure—							
Salaries and payments in the nature of salaries	345 550	1 951 542	3 574 873	1 063 405	346 773	7 282 143	6 245 205
Payroll Tax	16 813	95 205	175 093	52 086	17 218	356 415	304 791
Workers Compensation Insurance ..	3 506	26 480	47 657	13 350	4 643	95 636	30 962
General Expenses	57 900	462 964	620 213	344 309	258 490	1 743 876	1 365 186
Rents and maintenance of buildings— Public Works Department	105 277	..	35 079	..	..	140 356	35 347
Grants and subsidies to Free Libraries ..	..	..	10 778 230	..	..	10 778 230	9 607 027
Grants to Cultural Bodies, etc. ..	2 867 791	..	..	4 000	..	2 871 791	2 469 956
Grants to Country Art Galleries ..	429 406	..	..	..	..	429 406	306 312
Contribution to Arts Fund	267 000	..	..	..	..	267 000	112 705
Fees and Expenses—Victorian Film Corporation	179 997	..	..	..	..	179 997	28 046
Contribution to Victorian Art Purchases Fund	6 000	..	..	..	..	6 000	6 000
Contribution to Art Foundation of Victoria	500 000	..	..	..	..	500 000	410 000
	4 779 240	2 536 191	15 231 145	1 477 150	627 124	24 650 850	20 921 537
Works and Services Account Expenditure—							
Assistance to Country Art Galleries for and towards the cost of approved works and purposes ..	33 146	..	..	..	..	33 146	62 299
Contribution to the Victorian Arts Centre Trust Fund .. .. .	..	15 000 000	..	..	..	15 000 000	9 700 000
Grant and contributions towards approved capital projects for the performing arts	449 474	..	..	..	..	449 474	442 148
Payments into the Arts Fund for the purposes of the Victorian Film Corporation, etc.	1 418 857	..	..	..	..	1 418 857	573 938
Expenditure in connection with the acquisition, alterations and improvements of buildings, for the promotion of the Arts ..	1 079 864	191 418	561 287	236 754	..	2 069 323	1 340 657
	2 981 341	15 191 418	561 287	236 754	..	18 970 800	12 119 042
Total	7 760 581	17 727 609	15 792 432	1 713 904	627 124	43 621 650	33 040 579

The item shown in the statement above, "Works and Services Account Expenditure, Contribution to the Victorian Arts Centre Trust Fund, \$15 000 000", represents payments made during the year to the Victorian Arts Centre Building Committee by authority of the current Public Works and Services Act. The final payment of \$7.1 million in respect of the year was made to the Committee by Treasury cheque dated 30 June 1978 on 4 July 1978. Also, on 4 July 1978, a cheque for a like amount, drawn on the Building Committee's account, was lodged with Treasury and credited to Treasury Trust Fund 1978-79. A similar situation, involving an amount of \$3.8 million, applied at the close of the previous year.

Expenditure in connection with the acquisition, alteration and improvement of buildings for the promotion of the Arts included :—

- (i) the purchase of the St. Martin's Theatre complex at a cost of \$382 500 for the purpose of a Youth Art Centre ;
- (ii) a contribution of \$375 667 to the University of Melbourne for the purchase and renovation of the Nathan Blight building in South Melbourne to be used by the Melbourne Theatre Company as an administrative, rehearsal and workshop area ; and
- (iii) the sum of \$246 778 for the finalisation of the purchase of the Metropolitan Meat Market which is being converted to a Craft Centre.

During the year, an amount of \$500 000 was paid to the Art Foundation of Victoria which is an unincorporated body formed with the general object of assisting the Council of Trustees of the National Gallery in maintaining, improving and developing the State collection of works of art. The Foundation was constituted with the approval of the Council of Trustees and, under an agreement entered into between the Art Foundation and the Council of Trustees, all moneys raised by the Foundation are to be held by the Gallery and are to be invested or to be applied in, or towards, the purchase of works of art as additions to the State collection after prior consultation with the Foundation.

ARTS FUND

Under the provisions of the *Ministry for the Arts Act 1972*, the Arts Fund was established within the Trust Fund. Money is appropriated to the Fund and all other moneys received for the purposes of the Act are paid into the Fund. In addition, money is appropriated to the Arts Fund for the purposes of the *Victorian Film Corporation Act 1976* and all moneys received or expended by the Corporation are to be accounted for separately in the Fund.

Summarised details of the receipts and payments of the Arts Fund for the past two years are as follows :—

1976-77		1977-78	
\$		\$	\$
142 302	Balance 1 July		343 333
	Government Contributions—		
112 705	From Vote	267 000	
573 938	From Works and Services Account—Victorian Film Corporation	1 414 768	1 681 768
	Other Receipts—		
10	Arts Victoria Festival	138 619	
..	Cultural Development	23 785	
1 800	Films	35 108	
<u>830 755</u>			<u>197 512</u>
			<u>2 222 613</u>
	<i>Payments</i>		
	Arts Victoria Festival—		
7 251	Administration	29 216	
1 159	Advertising and Public Relations	90 033	
1 754	Program	183 800	303 049
	Cultural Development—		
83 000	Tapestry Workshop .. .. .	..
..	Feasibility Study—Arts Victoria Festival	23 914	
..	Artists in Schools, etc.	39 000	
150	Publications of Literature etc.	9 000	71 914
	Films—		
236 637	Features	869 847	
55 351	Documentaries	79 038	
91 000	Television	205 000	
..	Script Development	51 587	
11 120	General	376 692	
343 333	Balance 30 June .. .. .	..	1 582 164
<u>830 755</u>			<u>265 486</u>
			<u>2 222 613</u>

Receipts from the investments in feature films totalled \$17 508 during the year.

CHIEF SECRETARY

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

Police

COST TO THE CONSOLIDATED FUND

The net cost of police services was \$143 580 941. In the following statement, net cost includes not only the relevant expenditure under the authority of special appropriations and the annual police vote but also, to the extent applicable, the expenditure under the authority of votes of other Departments and expenditure from the Works and Services Account. Expenditure and receipts for the year are compared hereunder with corresponding figures for the previous year :—

<i>Expenditure</i>		1976-77	1977-78
		\$	\$
Special Appropriation—			
Pensions and Superannuation, etc.	.. .. .	4 237 559	5 610 028
Vote—			
Police—			
Salaries and Allowances	.. .. .	100 656 133	114 007 490
Overtime and Penalty Rates	.. .. .	2 344 535	2 997 850
Payments in lieu of Long Service Leave	.. .. .	1 422 008	1 500 970
General Expenses	.. .. .	11 713 127	13 825 435
Other Services—Police Pensions Fund	.. .. .	1 987 100	3 941 000
Treasurer—			
Workers Compensation Insurance, Pay-roll Tax	.. .. .	5 539 276	7 351 357
Public Works—			
Maintenance and Rent of Buildings	.. .. .	692 211	790 746
Works and Services Account—			
Police Buildings and Residences, etc.	.. .. .	9 453 551	9 794 553
Expenditure in Connection with Metric Conversion	.. .. .	2 890	1 183
		<hr/>	<hr/>
		138 048 390	159 820 612
<i>Receipts</i>			
Departmental Services	.. .. .	2 248 209	2 689 604
Firearms and other licences	.. .. .	68 636	65 826
Recoup of Administrative Expenses—			
Motor Registration Branch	.. .. .	10 855 325	10 578 525
Wildlife Management	.. .. .	67 763	69 669
Learner and Driver Testing Fees, etc.	.. .. .	2 074 407	2 333 402
Miscellaneous	.. .. .	435 200	502 645
		<hr/>	<hr/>
		15 749 540	16 239 671
		<hr/>	<hr/>
Net cost of police services	.. .. .	122 298 850	143 580 941

An analysis of the expenditure discloses that the increased net cost of police services for the year, \$21 282 091, was caused mainly by increases in :—

	\$
Salaries and allowances and associated expenses	17 268 184
Police buildings, computer equipment, etc.	341 002
Motor vehicles—Purchase and running expenses	1 126 718
Other Services—Police Pensions Fund Contribution	1 953 900

Traffic Penalties—Penalties received under the provisions of the Road Traffic (Infringements) Acts, and not included in the above receipts, amounted to \$5 505 236 in 1977-78. These moneys form portion of the Consolidated Fund Receipts item, Fines—Supreme and other Courts.

Trust Account—Moneys totalling \$52 951 were expended from the Commonwealth Apprentices Employment Scheme Trust Account on police activities.

Police Pensions Fund—Specific references to the Fund appear at page 35 of this Report.

Section 55 (5AA) of the *Police Regulation Act 1958* provides that in the event of there being insufficient moneys in the Fund to pay specified expenditures such moneys as necessary are to be paid from the Consolidated Fund. In terms of the legislation, \$3 941 000 was paid into the Police Pensions Fund from Police Vote—Other Services.

MOTOR REGISTRATION BRANCH

Functions of the Branch include matters relating to the registration of motor vehicles, issue of motor drivers' licences and the collection, as agent for the authorized insurer, of premiums under third-party policies pursuant to the provisions of the *Motor Car Act* 1958. In addition, the Branch is required to collect surcharges in respect of contracts of third-party insurance and, also, stamp duty payable on the registration or acquisition of a motor car or trailer.

Collections arising from the above functions are shown below :—

1976-77		1977-78
\$		\$
122 978 419	Fees under the Motor Car Act	151 695 411
174 952 294	Third Party Insurance Premiums	193 175 565
40 680 392	Stamp Duty	44 040 127
<u>338 611 105</u>		<u>388 911 103</u>

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

\$		\$	\$
<i>Country Roads Board Fund—</i>			
69 165 794	Motor Fees and Examiners' Licences	86 060 140	
1 681 735	Drivers' Licence and Motor Driving Instructors' Licence Fees, etc.	1 872 566	
<u>70 847 529</u>			87 932 706
<i>Transport Fund—</i>			
7 478 521	Additional Registration Fees		8 479 776
<i>Municipalities Assistance Fund—</i>			
2 942 245	Drivers' Licence Fees and Motor Driving Instructors' Licence Fees		3 269 719
<i>Transport Regulation Fund—</i>			
1 768	Omnibus Registration Fees		2 327
<i>Roads (Special Projects) Fund—</i>			
31 591 994	Proportion of Increase in Registration Fees		39 063 252
<i>Consolidated Fund—</i>			
5 884 491	Drivers' Licence and Motor Driving Instructors' Licence Fees	6 539 614	
7 105 740	Insurance Surcharges	7 686 705	
40 680 392	Stamp Duty	44 040 127	
109 936	Personalized Number Plates	104 236	
8 146	Recreation Vehicles Fees	7 342	
		<u>58 378 024</u>	
<i>Drivers' Licence Suspense Account—</i>			
1 498 044	Drivers' Licence Fees, etc.		1 665 659
<i>Traffic Authority Fund—</i>			
2 615 745	Registration Surcharges		4 490 029
<i>Motor Accidents Board—</i>			
1 255 821	Contributions—Third Party Insurance Premiums and Drivers' Licence Surcharges		140 751
<i>Approved Third Party Insurers—</i>			
166 590 733	Net Premiums collected on their behalf		185 488 860
<u>338 611 105</u>			<u>388 911 103</u>

Fees under the Motor Car Act—Fees collected by the Branch under the Motor Car Act increased by \$28 716 992. The higher collections from this source were due, mainly, to the operation for a full year of the general increase in registration fees for motor cars and trailers which took effect from 1 January 1977.

Third Party Insurance—An increase of \$18 223 271 in the total premiums collected on behalf of authorized insurers was due, mainly, to an increase in the volume of transactions handled by the Branch in 1977-78.

The provision of the *Motor Accidents Act* 1973 requiring deductions to be made from third party insurance premiums for payment to the Motor Accidents Board ceased to have effect after 11 February 1977. The only collections on behalf of the Motor Accidents Board are now drivers' licence surcharges.

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

Workers Compensation Board

The revenue of the Board consists of contributions by approved Insurers, the Victorian Railways and employers who operate certified schemes of compensation. All such receipts of the Board are paid into a Trust Fund kept at the Treasury styled the "Workers Compensation Board Fund" from which are met the costs and expenses of the Board. The Fund is also available for the payment of moneys due under awards against uninsured employers and to meet, in certain circumstances, claims for compensation on the "nominal defendant". Amounts recovered from uninsured employers are credited to the Fund.

Particulars of the Income and Expenditure of the Fund for the years 1976-77 and 1977-78 are as shown hereunder. Figures for the financial year 1977-78 are subject to audit.

	1976-77	1977-78
	\$	\$
<i>Income—</i>		
Contributions from insurers and others	987 858	1 267 078
<i>Expenditure—</i>		
Salaries and pay in lieu of long service leave	594 822	639 465
Rent	285 070	215 528
General	119 179	152 975
Claims on uninsured employers paid from the Fund (net) ..	98 342	193 725
Costs of nominal defendant	83 768	120 818
	1 181 181	1 322 511
Excess of Expenditure over Income	193 323	55 433

Expenditure for the year 1977-78 exceeded contributions by \$55 433. This had the effect of reducing the accumulated surplus to \$257 839 at 30 June 1978.

All amounts of compensation granted under awards of the Board in cases of death and of minors (other than weekly payments) are payable into the custody of the Board to be invested, applied, or otherwise dealt with, in the Board's discretion, for the benefit of the persons entitled thereto. All moneys in the custody of the Board are invested in a Common Fund. Interest on the investments is apportioned equitably over all the constituent accounts.

The receipts and payments of the Common Fund for the years 1976-77 and 1977-78 are summarised below :—

	1976-77.	1977-78.
	\$	\$
Balance forward	37 375 711	39 906 949
<i>Receipts—</i>		
Awards to Beneficiaries	8 399 125	9 362 902
Interest on Investments	2 914 952	3 560 499
	48 689 788	52 830 350
<i>Less Payments</i>	8 782 839	9 625 452
Balance at close of year	39 906 949	43 204 898

Investments, etc., controlled by the Board at 30 June 1978, are shown hereunder (at face value) :—

Common Fund—	\$
Cash, State Savings Bank of Victoria	255 045
Apollo Bay Sewerage Authority Debentures	200 000
Australian Savings Bonds	100 000
Ballarat Sewerage Authority Debentures	850 000
Ballarat Water Commissioners Debentures	450 000
Bank of New South Wales Special Deposit	505 167
B.F.C. Finance Ltd.—Debentures	500 000
Broken Hill Proprietary Company Limited Debentures	300 000
C.A.G.A. Ltd.—Debentures	1 000 000
Commonwealth Trading Bank—Special Deposit	1 277 586
Commonwealth Trading Bank—Term Deposit	1 500 000
Dromana—Rosebud Sewerage Authority Debentures	300 000
Drouin Sewerage Authority Debentures	200 000
Electricity Commission of New South Wales Debentures	2 100 000
Frankston Sewerage Authority Debentures	2 400 000
Gas and Fuel Corporation Debentures	200 000
Geelong Waterworks and Sewerage Trust Debentures	3 450 000
Kilmore Sewerage Authority Debentures	200 000
Melbourne and Metropolitan Board of Works Debentures	9 150 000
Mornington Sewerage Authority Debentures	850 000
Mount Eliza Sewerage Authority Debentures	100 000
Nathalia Sewerage Authority Debentures	100 000
National Bank of Australasia—Term Deposit	1 000 000
Numurkah Sewerage Authority Debentures	300 000
Orbost Waterworks Trust Debentures	100 000
Port Fairy Sewerage Authority Debentures	800 000
Queenscliffe Sewerage Authority Debentures	100 000
Shepparton Sewerage Authority Debentures	300 000
State Electricity Commission Debentures	9 642 200
State Energy Commission of Western Australia Debentures	250 000
West Moorabool Water Board Debentures	800 000
Mortgage Loans	3 924 900
	43 204 898

Among the items listed above is an investment of \$3 924 900 by way of mortgage loans where the services of nominee companies have been utilised. In a recent audit report, an explanation has been requested as to the need for the Workers Compensation Board to deal through third parties instead of executing mortgages between the Board and the several mortgagors.

Road Safety and Traffic Authority

The Authority was established in 1971 pursuant to the provisions of the *Road Traffic (Safety and Traffic) Authority Act 1970*.

The functions of the Authority are to carry out research and investigation into road accident prevention, to promote road accident prevention practices, and to cause the council of any municipality to adopt road accident prevention practices which are specified by the Authority.

Financial operations are recorded in the Traffic Authority Fund, moneys in which may be applied towards the cost of administration and the carrying out of the functions of the Authority, and also for any works or projects calculated to improve road safety or traffic control, including school and pedestrian crossings and the purchase and installation of traffic lights.

TRAFFIC AUTHORITY FUND

The receipts and payments of the Fund for the past two years are summarised hereunder :—

		<i>Receipts</i>						
1976-77						1977-78		
\$						\$	\$	
435 269	Balance 1 July .. .. .					..	2 784 463
<hr/>								
2 615 745	Motor Car Registration surcharges pursuant to Section 8A of the <i>Motor Car Act 1958</i>					4 490 029		
508 268	Transfer from Country Roads Board Fund pursuant to Section 3D (2) of the <i>Road Traffic Act 1958</i>					608 014		
200 000	Transfer from Drivers' Licence Suspense Account pursuant to Section 22E (3) of the <i>Motor Car Act 1958</i>					200 000		
58 176	Consolidated Fund—Vote					26 836		
3 400 000	Transfer from Roads (Special Projects) Fund towards "Statcon" program					3 620 000		
	Commonwealth Government—							
30 000	Road Safety Grant					30 000		
20 200	Other					23 463		
						<hr/>	8 998 342	
6 832 389								
<hr/>								
7 267 658							<hr/>	
							11 782 805	
<hr/>								
		<i>Payments</i>					\$	
1 551 528	Salaries and Overtime					1 774 965		
<hr/>								
	Administration—							
19 924	Travelling					29 351		
37 875	Office Expenses					78 358		
9 384	Books and publications					10 221		
29 439	Postage					51 286		
28 612	Vehicles					44 033		
2 663	Materials					18 776		
73 384	Payroll tax					90 185		
161 356	Rent and maintenance					223 233		
10 483	Long Service Leave .. .. .					..
						<hr/>	545 443	
373 120							<hr/>	
						2 320 408		
1 924 648								
137 533	Less Oncost recouped—capital projects					405 012		
						<hr/>	1 915 396	
1 787 115							61 915	
63 652	Members—salaries and expenses					320 284		
124 232	Public Advice Division					219 003		
34 610	Research					163 817		
92 290	Data Processing					5 024		
54 432	Revenue collection costs .. .. .					..
2 326 864	Subsidies to Municipalities for "Statcon" program and traffic lights					5 236 329		
						<hr/>	7 921 768	
4 483 195								
<hr/>								
2 784 463	Balance 30 June .. .. .					..	<hr/>
							3 861 037	

The increase of \$1 874 284 from Motor Car Registration surcharges reflects the first full year's implementation of the *Motor Car (Fees) Act 1976* which came into operation on 1 January 1977 and which increased the surcharge payable on the registration or renewal of registration of a motor car.

Raffles and Bingo Permits Board

This Board was established pursuant to the provisions of the *Lotteries Gaming and Betting (Raffles and Bingo) Act 1977* which came into operation on 1 August 1977.

This Act gave the Board power to grant permits in respect of the game of bingo and, in addition, transferred the function of the granting of permits to conduct raffles from the Attorney-General to the Board.

All moneys received by the Board are required to be paid into a Trust Fund established in the Treasury called the Bingo Fund, which is to be used to meet the costs and expenses of the Board. Any surplus in the Fund at 31 March in any year, less \$10 000, is required to be transferred to the Hospitals and Charities Fund.

A summary of receipts and payments of the Bingo Fund for the year under review is as follows :—

	\$	\$
<i>Receipts</i>		
Bingo Permit Fees	52 986	
Bingo Surcharges 2 per cent.	94 274	
Bingo Surcharges 3 per cent.	254 960	
	402 220	
<i>Payments</i>		
Members' Salaries	13 775	
Recoup to Vote in respect of salaries and allowances	73 468	
Other administrative expenses	45 786	
	133 029	
Payment to Hospitals and Charities Fund	119 297	252 326
Balance 30 June		149 894

Other Branches

The cost to the Consolidated Fund of the remaining sub-departments and branches of the Chief Secretary's Department for 1977-78 compared with the previous year is set out below :—

—	Receipts	Payments	Net Outgoing 1977-78	Net Outgoing 1976-77
	\$	\$	\$	\$
Chief Secretary's Office	73 961	1 113 700	1 039 739	888 214
Government Statist	1 221 275	1 710 128	488 853	396 507
State Emergency Service	261 119	745 510	484 391	415 703
Registrar of Estate Agents, etc.	186 930	182 093	Cr. 4 837	Cr. 7 045
Government Shorthand Writer	74 010	346 506	272 496	186 979
Public Record Office	2 897	808 057	805 160	264 560
Crimes Compensation Tribunal .. .. .	..	1 116 427	1 116 427	801 742
Commissions and Boards of Enquiry	122 447	540 214	417 767	730 678
	1 942 639	6 562 635	4 619 996	3 677 338

MINISTRY FOR CONSERVATION

The Ministry for Conservation was established under the provisions of the *Ministry for Conservation Act 1972*. The objects of the Ministry are the protection and preservation of the environment and the proper management and use of the land and living aquatic resources of Victoria.

In pursuance of these objectives, the central administration of the Ministry incurred the following expenditure during the past two years :—

1976-77 \$	From the Consolidated Fund— Vote— Conservation—	1977-78 \$
1 459 849	Salaries and Payments in the Nature of Salary	1 629 868
232 707	General Expenses	255 050
2 251 582	Other Services, mainly environmental studies and grants to public bodies furthering the objects of the Ministry	3 174 664
3 944 138		5 059 582
82 765	Treasurer—Workers Compensation Insurance and Payroll Tax Public Works—	110 958
109 415	Rent of Buildings	164 688
..	Maintenance of Buildings	54 554
4 136 318		5 389 782
	Works and Services Account—	
54 538	Grant to Victoria Conservation Trust .. .. .	..
117 666	Grant to National Trust of Australia	157 483
361 773	Grant to Zoological Board	330 000
40 000	Loan to Zoological Board	40 000
1 776	Metric Conversion Expenses	593
	Purchase and Improvement of Crown Land—	
163 551	Mornington .. .. .	..
558 040	Dandenongs	1 020 279
170 000	Sherbrooke .. .. .	..
..	Yellingbo	113 271
..	South East Sector	441 980
452 593	Other Properties	323 705
80 000	Subsidy to Healesville Sanctuary	50 000
151 199	Subsidies—Dairy Farmer Employment Scheme .. .. .	..
..	Subsidies—Rural Employment	85 391
..	Water Quality Analysis	32 633
6 287 454		7 985 117

The Ministry made expenditure from several Trust Funds, the principal items being as follows :—

..	Fly Suppression Program	60 957
523 552	Commonwealth National Estate Program	243 113
59 036	Commonwealth Apprentices Employment Scheme	37 575
47 355	Special Youth Employment Training Program	119 220
..	State Grants—Nature Conservation—Yellingbo Land Purchase	203 473

Other major activities for which the Ministry is responsible are referred to below, showing the expenditure for 1977-78 and the comparative figures for 1976-77.

National Parks Division

This administration is financed from the National Parks Fund which recorded the following transactions :—

1976-77		1977-78
\$		\$
82 913	Balance 1 July	277 694
	Receipts—	
	From the Consolidated Fund—	
1 952 000	Vote	2 490 300
1 800 000	Works and Services Account	2 250 000
958 638	Rentals, Fees etc.	910 846
		<hr/> 5 651 146
<hr/> 4 793 551		<hr/> 5 928 840
	Payments—	
2 002 423	Administration	2 525 599
1 196 487	Park Maintenance	1 783 821
1 316 947	Development of Parks and Facilities	1 606 006
		<hr/> 5 915 426
<hr/> 4 515 857		
<hr/> 277 694	Balance 30 June	<hr/> 13 414

The following expenditure was met from the undermentioned Trust Accounts :—

\$		\$
..	Wilson's Promontory Lighthouse Track	22 738
..	Fire Research Study	13 567

Environment Protection Authority

The Environment Protection Authority was established by the *Environment Protection Act 1970* and was brought within the administration of the Ministry by the *Ministry for Conservation Act 1972*.

Expenditure from the Consolidated Fund during the past two years is summarised as follows :—

1976-77		1977-78
\$		\$
	Vote—	
	Conservation—	
2 364 526	Salaries and Payments in the Nature of Salary	2 920 255
736 807	General Expenses	949 317
1 559 429	Other Services, mainly payments to Protection Agencies for carrying out functions on behalf of the Authority	1 628 319
<hr/> 4 660 762		<hr/> 5 497 891
136 207	Treasurer—Workers Compensation Insurance and Payroll Tax	198 611
170 659	Works and Services Account—Environment Protection Works	181 481
<hr/> 4 967 628		<hr/> 5 877 983

Receipts for the year, consisting of fees received by the Authority in respect of environment protection licences, amounted to \$1 988 427, compared with \$1 340 105 in 1976-77.

Soil Conservation Authority

The Soil Conservation Authority was established pursuant to the *Soil Conservation and Land Utilization Act 1958*, and is charged with the prevention and mitigation of soil erosion and the promotion of soil conservation. The Ministry is responsible for the administration of the Authority under the provisions of the *Ministry for Conservation Act 1972*.

Expenditure from the Consolidated Fund during the past two years was as follows :—

1976-77		1977-78
\$	Vote—	\$
	Conservation—	
2 023 703	Salaries and Payments in the Nature of Salary	2 311 514
373 981	General Expenses	398 884
6 478	Other Services	5 283
2 404 162		2 715 681
116 654	Treasurer—Workers Compensation Insurance and Payroll Tax	159 012
1 634	Public Works—Maintenance of Buildings .. .. .	..
2 522 450		2 874 693
	Works and Services Account—	
815 973	Soil Conservation Works	933 097
247 436	Loans for conservation purposes	192 595
3 585 859		4 000 385

Expenditure from Trust Accounts :—

\$		\$
17 115	Soil Conservation Authority Trust	17 842
87 570	Commonwealth Extension Services (Conservation) Grant	82 834
471 158	Puckapunyal Soil Conservation Project Trust	591 224

Fisheries and Wildlife Division

Under the provisions of the *Ministry for Conservation Act 1972*, the Ministry administers the *Fisheries Act 1968* and the *Game Act 1958* through the Fisheries and Wildlife Division.

Expenditure from the Consolidated Fund during the past two years comprised :—

1976-77		1977-78
\$	Vote—	\$
	Conservation—	
2 108 023	Salaries and Payments in the Nature of Salary	2 353 492
495 571	General Expenses	582 623
98 062	Other Services	635 525
2 701 656		3 571 640
120 264	Treasurer—Workers Compensation Insurance and Payroll Tax	162 711
9 659	Public Works—Maintenance of Buildings	10 359
2 831 579		3 744 710
190 577	Works and Services Account	331 032
3 022 156		4 075 742

The following expenditure was met from Trust Accounts :—

1976-77		1977-78
\$		\$
19 339	Fish and Wildlife Research	72 892
421 136	Fisheries Research	558 005
880 236	Wildlife Management	1 170 650
..	Fisheries Dartmouth Dam Surveys	1 298
..	Heavy Metals Study	6 591

The Commonwealth recouped \$81 738 (\$82 193 in 1976-77) administrative expenditure involved in the issue of Commonwealth fishing licences.

Port Phillip Authority

This Authority was created by the *Port Phillip Authority Act 1966* to advise the Minister on methods of co-ordinating development in the Port Phillip Bay area, and preserving and improving the condition of the area. The administration of the Authority became the responsibility of the Ministry under the *Ministry for Conservation Act 1972*.

Expenditure during the past two years was as follows :—

From the Consolidated Fund—		1977-78
1976-77	Vote—	\$
	Conservation—	
56 565	Salaries and Payments in the Nature of Salary	77 375
7 598	General Expenses	13 244
3 387	Treasurer—Workers Compensation Insurance and Payroll Tax	4 801
<hr/>		<hr/>
67 550		95 420

The following expenditure was met from a Trust Account :—

141 462	Study and Protection of Port Phillip Bay	64 439
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Land Conservation Council

This Council was established by the *Land Conservation Act 1970*, chiefly to carry out investigations and to make recommendations to the Minister on the balanced use of public land throughout the State. It became the administrative responsibility of the Ministry under the *Ministry for Conservation Act 1972*.

Expenditure from the Consolidated Fund during the past two years may be summarised as follows—

1976-77	Vote—	1977-78
\$		\$
	Conservation—	
262 737	Salaries and Payments in the Nature of Salary	284 063
184 677	General Expenses	245 799
1 750	Other Services	3 655
14 855	Treasurer—Workers Compensation Insurance and Payroll Tax	19 741
<hr/>		<hr/>
464 019		553 258

Victoria Archaeological Survey

The *Archaeological and Aboriginal Relics Preservation Act 1972* created the office of Protector of Relics, charged with the responsibility of recording and protecting archaeological areas and relics, together with research and an educational program pertaining thereto.

Expenditure during the past two years was—

From the Consolidated Fund—		1977-78
1976-77	Vote—	\$
	Conservation—	
73 205	Salaries and Payments in the Nature of Salary	105 418
53 244	General Expenses	51 954
4 093	Treasurer—Workers Compensation Insurance and Payroll Tax	6 989
..	Works and Services Account	37 570
<hr/>		<hr/>
130 542		201 931

The following expenditure was met from Trust Accounts :—

54 225	Archaeological and Aboriginal Relics	27 159
..	Aboriginal Advancement (Commonwealth)	15 000

MINISTRY OF CONSUMER AFFAIRS

The Ministry of Consumer Affairs was established under the provisions of the *Ministry of Consumer Affairs Act 1973* with the objects, generally, of protecting and promoting the interests of consumers and to administer the *Consumer Protection Act 1972*.

Expenditure during the last two years from the Consolidated Fund is compared hereunder.

1976-77	Vote—	1977-78
\$		\$
586 661	Ministry of Consumer Affairs—Salaries, General Expenses, etc.	780 128
27 885	Treasurer—Workers Compensation Insurance, Payroll Tax	39 770
47 250	Public Works—Rents	47 250
661 796	Net Cost to the Consolidated Fund was	867 148

Motor Car Traders' Guarantee Fund

Under the *Motor Car Traders Act 1973* motor car traders are required to pay annual licence fees which are paid to the Motor Car Traders Guarantee Fund at the Treasury. Penalties imposed by the Courts are also paid to this Fund.

Moneys standing to the credit of the Fund may be applied to meeting any loss admitted by the Motor Car Traders Committee to have been incurred by reason of the failure of a motor car trader to comply with any provision of the Act or regulations, and also to meet the costs of administration of the Act.

Particulars of the receipt and disbursement of funds in 1977-78 together with the relative figures for 1976-77 are :—

1976-77	Receipts—	1977-78
\$		\$
314 401	Balance, 1 July	435 195
220 691	Licence Fees	235 120
12 495	Fines, etc.	8 000
547 587		678 315
	Expenditure—	
35 524	Claims	68 780
76 868	Administration Costs	158 715
112 392		227 495
435 195	Balance, 30 June	450 820

Small Claims Tribunal

The Small Claims Tribunal, which was established under the *Small Claims Tribunal Act 1973*, to deal with claims by consumers arising out of contracts for the supply of goods or the provision of services, in amounts not exceeding \$1,000, is administered within the Ministry. Orders of the Tribunal involving the payment of money may be enforced in a Magistrates' Court.

A fee of \$3 is payable in respect of each claim lodged and is collected by the attachment of adhesive duty stamps to the relevant claim forms. Proceeds are, therefore, included in the amount shown in the Treasurer's Finance Statement under the head—Taxation—Stamps Acts.

COUNTRY ROADS BOARD

The construction and maintenance of State highways, main roads, freeways, forest roads and tourists' roads are carried out by or under the supervision of the Board. In addition, the Board provides a substantial sum each year to assist municipalities to carry out construction and maintenance works on selected unclassified roads under their care and management.

FUNDS AVAILABLE TO THE BOARD

(a) *Country Roads Board Fund*

The principal sources of revenue of the Fund in 1977-78 were :—

- (i) *Fees under the Motor Car Act*—Receipts for the year under this Act amounted to \$88 447 444 and the costs of collection were \$12 469 291. The comparable figures in 1976-77 were, respectively, \$71 345 849 and \$10 544 478.

The increase in collections, \$17 101 595, was due, mainly, to a full year's operation of the general increase in vehicle registration fees imposed by the *Motor Car (Fees) Act 1976*, which operated from 1 January 1977, and also to the greater number of motor vehicles registered in Victoria—1 962 467 compared with 1 856 420 in 1976-77.

- (ii) *Municipal Contributions*—Municipalities which have benefited from permanent or maintenance works upon main roads are required to pay to the Board annual contributions in respect of the funds expended. In 1977-78, receipts of these contributions totalled \$2 890 536. In certain circumstances, the required contribution may be reduced or waived, and, for 1977-78, such concessions amounted to \$3 195 590.
- (iii) *Road Charges—Part II. of Commercial Goods Vehicles Act 1958*—Receipts for the year from these charges, credited to the Roads Maintenance Account within the Fund, amounted to \$9 817 988, compared with \$9 967 856, in 1976-77.

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

In addition to meeting the costs of collection of fees under the Motor Car Act, the Board was required, from the amount received in respect of motor car registration fees, to reimburse the Transport Regulation Board the costs of collecting road charges under Part II. of the *Commercial Goods Vehicles Act 1958*. The amount paid in the year was \$598 071 compared with \$607 929 in 1976-77.

- (iv) *Special Contribution from the Works and Services Account*—A total of \$581 000 was provided from the Works and Services Account to the Country Roads Board Fund as a non-repayable Special Contribution.

(b) *Works and Services Account*

Under the authority of Section 31 of the *Country Roads Act 1958*, the Treasurer in 1977-78 provided advances from the Works and Services Account of \$325 000 for the purpose of permanent works as defined in that Act. This sum was expended on State highways construction.

The net liability of the Board at 30 June 1978, in respect of moneys provided under Loan Application Acts and Works and Services Acts, was \$29 502 575.

(c) *Roads (Special Projects) Fund*

Pursuant to the provisions of the *Roads (Special Projects) Act 1965*, the Country Roads Board in 1977-78 spent \$33 456 293 (including \$6 629 020 management and operating expenses) from the Roads (Special Projects) Fund on projects approved by the Governor in Council.

(d) Commonwealth Grants

Commonwealth assistance to the States for roads in the three years commencing 1 July 1977 is provided under new Commonwealth legislation, viz : the *States Grants (Roads) Act 1977* which was assented to on 30 September 1977, and the *Transport Planning and Research (Financial Assistance) Act 1977*, which was assented to on 10 November 1977.

Under the *States Grants (Roads) Act 1977*, which allocated a total of \$98 900 000 to Victoria in respect of 1977-78, the amount available to the Country Roads Board was \$97 670 000, which was provided for the following categories of roads—

	\$
National Highways Construction	26 000 000
National Highways Maintenance	3 000 000
National Commerce Roads Construction, after reduction by transfer of \$1 400 000	3 800 000
Rural Arterial Roads Construction	11 100 000
Rural Local Roads	19 000 000
Minor Traffic Engineering and Road Safety Improvements	2 270 000
Urban Arterial Roads Construction, after increase by transfer of \$6 700 000	28 900 000
Urban Local Roads Construction, after reduction by transfer of \$5 300 000	3 600 000
	97 670 000

With the exceptions that \$30 698 remained unspent on National Highways Construction and \$184 979 remained unspent on National Highways Maintenance, the foregoing grants were fully spent by the Board at 30 June 1978.

The *Transport Planning and Research (Financial Assistance) Act 1977* provided \$2 136 000 to Victoria in 1977-78. Of this amount, the Country Roads Board's allocation was \$1 286 666, which was fully spent at 30 June 1978.

(e) Commonwealth Traffic and Road Safety Improvement Program Trust Account

This Account was established in 1973-74 with a grant of \$840,000 from the Commonwealth. The Country Roads Board spent \$8 855 in implementing the program during 1977-78. The balance in the Account at 30 June 1978 was \$95 996.

(f) Victorian Natural Disasters Relief Account

A total of \$410 946 was disbursed from this Treasury trust account through the Country Roads Board mainly in the form of recoups to municipalities of expenditure on roads and bridges damaged by floods.

AVAILABLE FUNDS AND EXPENDITURE

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

1976-77		1977-78
\$		\$ \$
<i>Principal Funds Available</i>		
<i>Country Roads Board Fund—</i>		
3 175 871	Balance from previous year	792 920
60 801 371	Net Fees, Motor Car Act	75 978 153
2 517 696	Municipal Contributions	2 890 536
9 967 856	Road Charges—Commercial Goods Vehicles Act, Part II	9 817 988
1 745 537	General Receipts	1 923 860
638 000	Special Contribution—Works and Services Account ..	581 000
<hr/>		<hr/>
78 846 331		91 984 457
 <i>Works and Services Account—</i>		
325 000	Act No. 6229	325 000
 <i>Roads (Special Projects) Fund—</i>		
28 963 388	Expenditure on Approved Projects	33 456 293
 <i>Commonwealth Grants—</i>		
<i>Transport (Planning and Research) Act 1974—</i>		
274 395	Adjustment from previous years	14 573
1 225 667	Receipts .. .. .	..
30 800 000	National Roads Act 1974, Receipts .. .. .	..
<i>Roads Grants Act 1974—</i>		
4 986 435	Balance from previous year .. .. .	..
58 745 000	Receipts .. .. .	..
..	States Grants (Roads) Act 1977	97 670 000
..	Transport Planning and Research (Financial Assistance) Act 1977	1 286 666
 <i>Trust Account—</i>		
146 572	Commonwealth Traffic Engineering and Road Safety Improvement Program	8 855
<hr/>		<hr/>
204 312 788		224 745 844

Expenditure

1976-77		1977-78
\$		\$
169 280 841	Construction and Maintenance of Roads, (including Special Projects)	182 130 844
	Payments to the Consolidated Fund—	
2 017 626	Interest (including exchange)	2 044 805
845 015	Sinking Fund Contributions and Loan Conversion Expenses	878 037
71 258	Loan Repayments	70 209
1 016 536	Transfer to Tourist Fund	1 216 027
508 268	Transfer to Traffic Authority Fund	608 014
607 929	Recoup to Transport Regulation Board	598 071
484 000	Contribution to Australian Road Research Board	533 000
195 000	Contribution to Melbourne and Metropolitan Tramways Board	355 837
28 493 395	General Expenditure, including Administration, Stores and Materials, Planning and Research	34 507 833
<u>203 519 868</u>		<u>222 942 677</u>
792 920	Unexpended at 30 June	1 803 167
<u>204 312 788</u>		<u>224 745 844</u>

CONSTRUCTION AND MAINTENANCE OF ROADS

Expenditure by the Board during the year upon the various classes of roads, and the distribution of that expenditure over the funds available to the Board, as described earlier, were :—

	Country Roads Board Fund	Works and Services Account	Roads (Special Projects) Fund	Commonwealth Grants	Traffic and Road Safety Improvement	Total
	\$	\$	\$	\$	\$	\$
Main Roads	25 154 058	..	1 443 848	9 186 316	564	35 784 786
State Highways	15 273 110	325 000	13 995 938	12 658 699	..	42 252 747
Freeways	13 064 066	..	9 956 692	31 442 111	..	54 462 869
Tourists' Roads	2 410 743	..	756 549	59 435	..	3 226 727
Forest Roads	1 616 859	..	..	..	..	1 616 859
Unclassified Roads	11 653 548	..	49 251	30 102 784	8 291	41 813 874
Other	2 347 987	..	624 995	..	..	2 972 982
	<u>71 520 371</u>	<u>325 000</u>	<u>26 827 273</u>	<u>83 449 345</u>	<u>8 855</u>	<u>182 130 844</u>

EDUCATION

The cost of education met from State Funds during 1977-78 was \$1 145 380 285. This figure does not include interest and sinking fund charges on loans ; expenditure and grants in respect of specialised teaching institutions administered by the Forests Commission, Department of Agriculture and certain other departments ; and expenditure on sundry cadetships, bursaries, scholarships and subsidies provided from the votes of departments other than the Education Department and Treasury. The following statement shows the cost of education to the State for the past two years :—

	1976-77		1977-78	
	\$	\$	\$	\$
Special Appropriations.. .. .	..	23 450 553	..	28 525 163
Departmental Votes—				
Education	811 578 727		921 666 992	
Treasury	33 220 192		41 972 153	
Public Works	2 127 999		2 947 506	
	846 926 918		966 586 651	
<i>Less—Recoups of Expenditure, etc.</i>	1 358 747		1 141 137	
		845 568 171		965 445 514
Works and Services Account .. .. .	..	138 420 151	..	153 779 614
		1 007 438 875		1 147 750 291
<i>Less—Receipts</i> .. .. .	..	5 110 215	..	2 371 006
Net Cost to the Consolidated Fund .. .. .	..	1 002 328 660	..	1 145 379 285
Trust Fund—Forestry Fund.. .. .	..	1 000	..	1 000
Cost of Education met from State Funds .. .. .	..	1 002 329 660	..	1 145 380 285

In the compilation of the figures showing the “Cost of Education met from State Funds” for the 1976-77 Report, an amount of \$764 886 relating to the Revenue item “Appropriations of Former Years” was offset against expenditure and included in the item “Recoups of Expenditure, etc.” However, an adjustment has been made in the 1976-77 figures presented above, and the amount has been included in the receipts with a consequential reduction of “Recoups of Expenditure, etc.”

ANALYSIS OF THE COST OF EDUCATION MET BY THE STATE

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

<i>Expenditure—</i>	1976-77	1977-78
	\$	\$
Salaries, etc.—Teaching Service	547 434 851	619 171 775
General Administration and Clerical Assistance ..	35 956 213	37 074 476
Pay-Roll Tax	30 350 450	33 179 530
Allowances to Students in Training	26 276 918	19 014 157
Workers Compensation Insurance	2 869 742	8 792 623
Travelling Expenses and Allowances, etc.	2 348 435	2 694 349
Libraries—Grants and Subsidies	320 809	280 036
School and Office Equipment and Requisites	5 241 920	8 313 439
Text Books, Publications, Examination Expenses, Postage and Telephone Expenses, Incidentals	2 597 788	2 966 300
School Cleaning and Services	25 472 749	28 020 211
Conveyance of Pupils	27 020 976	29 757 166
Bursaries, Scholarships and Maintenance Allowances	3 779 575	3 647 417
Operating Costs—Hostels and Residential Camps	1 312 564	1 420 163
Buildings, Sites, etc.—Capital Works	82 257 028	117 446 567
Maintenance	15 878 952	19 770 905
Grants, etc.	171 404 199	185 655 510
Fees—Universities and Other	3 338 850	2 289 772
Pensions—Retired Teachers and Officers	23 198 644	28 256 895
Overseas Teacher Selection Program—Expenses	379 212	..
	<u>1 007 439 875</u>	<u>1 147 751 291</u>
<i>Receipts (Net)—</i>		
Tuition Fees	159 937	137 177
Rents	67 292	73 253
Board—Students in Training, etc.	480 447	586 166
Broken Bond Debts	295 562	360 460
Recoups from Non-Government Schools—Equipment	17 039	39 161
Recoup Government portion of Superannuation Contributions ..	2 647 809	216 387
Sale of audio-visual aids	94 544	99 492
School Camps	186 181	80 315
Appropriations of former years	866 746	545 907
Other	294 658	232 688
	<u>5 110 215</u>	<u>2 371 006</u>
	<u>1 002 329 660</u>	<u>1 145 380 285</u>

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

Salaries—Teaching Service—Expenditure under this head increased by \$71 736 924. The following factors contributed to the increase :—

- (i) Teachers Tribunal determinations, operative from 28 August and 18 December 1977, and 12 March and 18 June 1978 ; and
- (ii) the annual salary increments of teachers and an increase of approximately 1 530 in teacher numbers.

Allowances to Students in Training—Expenditure decreased by \$7 262 761 during 1977-78 due to the decline in the number of student teachers, particularly first year students.

Grants, etc.—Expenditure rose from \$171 404 199 to \$185 655 510, an increase of \$14 251 311. Higher grants to State and Non-Government schools contributed mainly to the increase in this item.

Conveyance of Pupils—This cost increased by \$2 736 190 during 1977–78. The rise was attributable mainly to :—

- (i) adjustments to school bus contract rates because of increased operating costs ;
and
- (ii) the provision of additional transport services.

Broken Bond Debts—Collections on account of these debts during 1977–78 amounted to \$360 460 and, during the same period, debts totalling \$1 863 826 on account of 510 ex-students were written off with the approval of the Treasurer. The amounts written off were, in the main, owed by students who had failed their courses in 1977–78 and prior years.

Recoup Government portion of Superannuation Contributions—Receipts under this heading decreased by \$2 431 422 during 1977–78, because of the operation of an altered method of recovery from the State Colleges of Victoria of superannuation contributions which had, until 31 December 1976, been paid to the Department.

Financial Statements of School Councils—

The *Education Act 1958* as amended by the *Education (School Councils) Act 1975* provides for the constitution by order of the Governor in Council of a school council in relation to any State school or group of schools.

As at 30 June 1978,

- 1775 Primary School Councils,
- 277 High School Councils,
- 115 Technical School Councils, and
- 43 Other School Councils.

had been constituted under the legislation.

During the year ended 30 June 1978, school councils received the following moneys by way of grant :—

	\$
Primary School Councils	18 784 292*
High School Councils	13 226 410*
Technical School Councils	25 853 133
	57 863 835

* Includes expenditure in respect of Other School Councils shown above.

The accounting and audit requirements of the legislation are contained in Sections 15F and 15H of the Act which provide :—

- 15F (1) the Auditor-General shall have in respect of the accounts kept by a council in relation to moneys coming into its hands all the powers conferred on him by any law now or here-after in force relating to the audit of the public accounts.
- (2) as soon as practicable after 31st day of December in each year, the council shall cause an audit of the accounts kept by the council in relation to moneys coming into its hands to be made by a person having appropriate qualifications in accounting or (if no such person is available) a person approved by the Auditor-General and for a statement of receipts and expenditure certified by that person to be correct to be sent to the Auditor-General.

- 15H (c) the Governor in Council may make regulations for or with respect to regulating the raising control and disbursing of moneys for school purposes by councils and the keeping of accounts by school councils.

Regulations under the Act require councils to keep such accounts as are directed by and in the manner determined by the Director General of Education.

The Education Department in September 1977 issued a circular advising that Primary School Councils should engage their own auditors as specified by Section 15f (2) of the Act, and subject to a specified maximum fee scale, and that High and Technical Schools should be audited by an expanded internal audit branch of the Education Department.

The necessary additional audit staff to enable the Education Department to undertake its obligations has not yet been appointed. I understand that a directive has yet to be given as to whether the internal audit branch of the Education Department or auditors appointed by the respective school councils will audit the accounts of consolidated, group, special, higher elementary, central and miscellaneous school councils.

Statistics extracted as at 31 August 1978 in relation to school councils constituted at 31 December 1977 show the following position :—

(i) Number of primary school councils that have failed to lodge audited accounts and have not communicated reasons for their failure to do so ..	294
(ii) Number of primary school councils that have either refused to appoint an auditor on the grounds of cost or claimed to be unable to appoint auditors within the authorised maximum fee scale.. ..	225
(iii) Number of primary school councils that have lodged accounts audited by persons without appropriate qualifications in accounting who have not been approved by the Auditor-General as required by Section 15f (2) of the Act	134
(iv) Number of primary school councils in respect of which additional information relating to their accounts or the status of their auditors has been requested	188
Total number of primary school councils that have not complied fully with the legislative requirements	841
Total of primary schools that have complied with the legislation	924
<i>Total number of primary school councils</i> ..	<u>1 765</u>

At the same date, only 11 of 276 high schools had submitted their audited statements for 1977, and of 115 technical schools, only 15 had complied fully with the legislative requirements.

The Department has been given details of school councils which have failed to satisfy their statutory requirements.

Properties—

(a) Ardoch—226 Dandenong Road, East St. Kilda

The above property was purchased by the Department on 26 May 1976. It includes a number of flats for which rentals are being collected by managing agents appointed by the Department.

My previous Report advised that, contrary to the provisions of Sections 11 and 12 of the *Audit Act* 1958, deductions had been made by the managing agents from gross rentals collected for the costs of cleaning and maintenance etc. This practice continued into 1977–78, but a recent reply by the Department to the audit report forwarded to the Department and Treasury in December 1976 advised that the Committee of Management had been instructed that, as from February 1978, only the managing agents' commission and urgent repair costs were to be deducted from gross income.

Gross rentals collected by the agents for the year ended 30 June 1978 amounted to \$44 275, of which the Department received \$15 014.

(b) 45 Green Street—Prahran

As stated in my previous Report, the Department in 1976–77 purchased the above property on behalf of the Prahran College of Advanced Education.

At the time of the preparation of this Report, the Department had still to be reimbursed a balance of \$7 103 owing by the College in respect of this purchase.

(c) 37 Green Street—Prahran

During the year, the Department paid the sum of \$52 586 for the above property which was purchased by the Department on behalf of the Prahran College of Advanced Education.

At the time of preparation of this Report, no payment had been received from the College to reimburse the Department for the purchase made.

As was pointed out in my previous Report in respect of a similar transaction involving the property at 45 Green Street, the items of the Public Works and Services Acts from which this purchase was made do not provide funds for the purchase of properties on behalf of Colleges of Advanced Education.

Works by School Councils—

Section 15C of the *Education Act 1958*, as amended by the *Education (School Councils) Act 1975*, authorises school councils with the approval of the Minister to construct or carry out any building structure or improvements in or to the school grounds or enter into contracts with any persons for these purposes and to obtain and accept offers or tenders for any work approved by the Minister.

During 1977–78, there was reason to query the Department in respect of arrangements made, between the Department and certain school councils, for the councils to process works expenditure in respect of other school Councils and the Department. These arrangements had the effect of circumventing the accounting and control procedures prescribed in the Public Accounts and Stores Regulations.

Particulars are :—

- (i) Eleven school councils were authorised to arrange for the purchase and installation of steamless boiling water units each costing \$500 at some 168 schools throughout Victoria and also at two departmental centres ;
- (ii) Wycheproof High School Council and Wycheproof Primary School Council were authorised to employ the services of consultants to carry out a feasibility study in relation to a proposed Wycheproof Education Centre ; and
- (iii) Box Hill Technical College Council was authorised to purchase 20 evaporative cooling units to the value of \$3 370 for installation in various areas of the Education Department.

In relation to the transactions referred to in sub-paragraphs (i) and (ii), payment was made directly to the contractor by the Department.

Landscape Beautification of Schools—In 1977–78 the Department entered into arrangements with the Victorian State Schools' Horticultural Society for the landscape beautification of certain schools. In accordance with the requirements of Clause 33 of the Public Accounts and Stores Regulations, approvals of the Governor in Council were obtained for expenditure not exceeding in total \$128 000 for supply by the Victorian State Schools' Horticultural Society of plants, landscape materials and labour for this beautification program.

A total of \$121 508 paid to the Society in the year included roundly \$59 000 for the purchase of motor vehicles and other equipment including a 3 tonne truck (\$9 900), two utilities (\$9 900), a four wheel drive vehicle (\$7 400) and a compact loader (\$10 050).

The purchase of this equipment was not authorised by the Orders in Council and this matter together with that of ownership and control of the vehicles and equipment has been taken up with the Department.

Irregularities in the Use of Taxis by Departmental Officers—Audit examination of accounts for taxi hire over the period November 1977 to March 1978 disclosed that an officer of the Department had incurred substantial expenditure on this service. The expenditure was queried and the Department has advised that, after investigation by departmental officers, the officer concerned has agreed to repay an amount of \$2 405 incurred for taxi fares over the period November 1977 to June 1978 in respect of journeys not considered to be on official business.

The departmental investigation also disclosed other irregularities of a minor nature. The Department has advised that it has taken steps to improve internal control in this area.

Departmental Advance Account—My Report for 1976–77 advised that the departmental advance had not been reconciled for a number of years. The advance has been reconciled in respect of the operations for the year 1977–78 and the Department is continuing its attempts to reconcile the four previous years.

COMMONWEALTH CONTRIBUTIONS TO STATE EDUCATION

Pursuant to the provisions of the various Commonwealth Acts relating to payments to the States specifically for education, grants were received by Victoria in 1976-77 and 1977-78 for the following purposes:—

	1976-77		1977-78	
	\$	\$	\$	\$
Universities, Affiliated Residential Colleges —recurrent and capital expenditure ..		148 359 140		166 498 047
Advanced Education— recurrent expenditure		91 039 949		96 368 209
building projects and equipment of a capital nature		19 529 789		14 728 297
Technical Training—T.A.F.E. Scheme		12 547 342		3 710 400
Teachers Training Colleges—recurrent..	45 067 722		45 561 561	
capital ..	6 441 683		3 832 062	
		<u>51 509 405</u>		<u>49 393 623</u>
Teacher Development, General Building Grants etc. re non-government schools etc.		14 998 198		12 173 655
Non-Government Schools—recurrent and capital expenditure		57 641 836		65 438 120
Child Migrant Education—salaries of teachers, equipment, etc.		4 140		..
Education Apprenticeship Training Centres —Recurrent Expenditure .. ..		..		1 556 000
Various—recurrent expenditure ..		606 630		1 025 048
Various State Schools—capital ..	45 611 794		52 937 956	
recurrent ..	70 745 950		80 777 225	
		<u>116 357 744*</u>		<u>133 715 181*</u>
		<u>512 594 173</u>		<u>544 606 580</u>

* These amounts were credited to the Consolidated Fund and expenditure authorised through the Appropriation and Works and Services Acts.

Disbursements from these grants and from the balances held in the various State Grants Trust Accounts at the beginning of each of the years 1976-77 and 1977-78 were as follows :—

	1976-77		1977-78	
	\$	\$	\$	\$
Universities—				
Melbourne	62 541 010		67 332 158	
Monash	52 931 302		57 406 189	
La Trobe	27 114 189		29 152 764	
Deakin	5 762 956		12 616 619	
	<u>148 349 457</u>		<u>166 507 730</u>	
Advanced Education—				
Recurrent Expenditure	91 039 949		96 354 221	
College Buildings, etc.	19 568 265		14 728 520	
	<u>110 608 214</u>		<u>111 082 741</u>	
Technical Training—				
T.A.F.E. Scheme		11 576 994		4 974 688
Non-Government Schools—				
Recurrent and Capital Expenditure		54 097 542		69 853 479
Child Migrant Education—				
Salaries, Equipment, etc.		924 573		1 235
Teachers Training Colleges—				
Recurrent	45 067 722		45 575 549	
Capital	6 441 683		3 832 062	
	<u>51 509 405</u>		<u>49 407 611</u>	
Teacher Development, General Building Grants etc. re non-government schools etc.		12 284 800		13 271 820
Education Apprenticeship Training Centres—				
Recurrent Expenditure		719 999		965 991
Various—Recurrent Expenditure		699 570		1 135 940
Various State Schools—				
Capital	45 611 794		52 937 956	
Recurrent	70 745 950		80 777 225	
	<u>116 357 744</u>		<u>133 715 181</u>	
		<u>507 128 298</u>		<u>550 916 416</u>

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

The unexpended balances held in the various State Grants Trust Accounts in the Treasury at 30 June 1978 totalled \$4 736 556 (\$11 514 778 at 30 June 1977).

The University of Melbourne

Details of the University's Combined Statement for the calendar years 1976 and 1977 are given hereunder. This Statement shows the total of the various items of income and expenditure for all University funds, with the exception of those listed in the following paragraph. It includes the General Recurrent Grants, which are available to meet the general running costs of the University, and almost two thousand other University funds, each of which is accounted for separately in the University accounting system. Many of these funds relate to donations and grants for specific purposes and may be applied only to those purposes.

Separate statements for the Provident Fund, the Students' Loan Fund, the Student Financial Aid—Special Account, the Melbourne University Press, the Melbourne University Union, the Recreation Grounds Committee, the Sports Union, Medley Hall, International House, the Beaurepaire Centre, the Veterinary Clinic and Hospital, the Staff Housing Account, the Residential Centre, the Graduate School of Business Administration, the Melbourne Theatre Company and the Strathfieldsaye Estate are shown in the University's published accounts, but are not included in the Combined Statement shown hereunder.

Under broad headings, the following statement summarises the income and expenditure for all University Funds contained in the Combined Statement for the past two years. The figures in respect of 1977 are subject to audit.

	1976		1977	
Income—	\$	\$	\$	\$
State Government Grants—				
Building Purposes	23 692			
Special Purposes	729 259		937 010	
		752 951		937 010
Commonwealth Government Grants—				
Recurrent Purposes	53 233 000		58 542 000	
Building Purposes	1 477 141		922 871	
Special Purposes	5 607 661		7 852 618	
		60 317 802		67 317 489
Fees for Continuing Education Courses		403 403		199 200
Fees for General Services		1 330 813		1 558 636
Donations and Grants (other than Government)		1 788 897		1 774 737
Charges for Services		3 454 149		3 518 525
Investment Income		2 373 473		2 812 342
Other Income		3 184 589		1 984 050
Total Income		73 606 077		80 101 989
Expenditure—				
Academic Activities		44 579 594		50 643 382
Academic Services		4 656 944		5 667 452
Student Services		2 775 758		3 157 374
General Services		12 547 776		14 238 220
Public Services		1 005 885		933 792
Independent Operations		1 301 249		1 315 372
Buildings and Grounds (Capital)		4 515 882		2 069 334
Total Expenditure		71 383 088		78 024 926
		1976		1977
*Balances—		\$		\$
General Recurrent Fund	<i>Surplus</i>	122 548	<i>Deficit</i>	502 622
Building Grants	<i>Deficit</i>	113 206	<i>Deficit</i>	232 302
Special Recurrent Grants	<i>Deficit</i>	27 730	<i>Deficit</i>	61 405
Equipment Grants	<i>Surplus</i>	144 972	<i>Deficit</i>	33 860
Other Funds	<i>Surplus</i>	1 191 784	<i>Surplus</i>	1 525 927
Trust Funds	<i>Surplus</i>	904 621	<i>Surplus</i>	1 381 325
	<i>Net Surplus</i>	2 222 989	<i>Net Surplus</i>	2 077 063

* Takes into consideration inter-fund transfers.

The Accumulated Funds at 31 December 1977 showed an overall surplus of \$20 323 364, compared with \$16 965 786 for the previous year. Details are :—

1976								1977
\$								\$
961 174	General Recurrent Funds	..	..	..	..	..	..	755 964
138 323	Special Recurrent Funds	..	..	..	..	..	..	76 918
284 346	Equipment Funds	..	..	..	..	..	..	250 486
207 140	Building Funds	..	..	..	..	..	..	(25 161)
14 508 813	Trust Funds	..	..	..	..	..	..	16 272 589
865 990	Other Funds	..	..	..	..	..	..	2 992 568
<u>16 965 786</u>	Total	..	..	..	..	..	..	<u>20 323 364</u>

These funds were represented by:—

31.12.1976				31.12.1977	
\$				\$	\$
	<i>Current Assets—</i>				
1 000	Cash on Hand	..	..	1 000	
2 828 007	Sundry Debtors and Prepayments	..	..	3 575 221	
168 000	Government Grants Accrued	..	..	293 000	
<u>2 997 007</u>					<u>3 869 221</u>
	<i>Investments—</i>				
5 556 186	Inscribed Stock	..	..	6 881 695	
5 025 289	Mortgages	..	..	5 287 889	
2 668 117	Company Shares, Debentures and Notes	..	..	2 810 408	
5 550 000	Cash on Deposit	..	..	4 650 000	
<u>18 799 592</u>					<u>19 629 992</u>
	<i>Less</i>				<u>23 499 213</u>
	<i>Current Liabilities—</i>				
1 694 704	Bank Overdraft (Net)	..	..	424 876	
1 863 781	Sundry Creditors and Accrued Salaries	..	..	1 519 498	
62 628	Income in Advance	..	..	43 975	
<u>3 621 113</u>					<u>1 988 349</u>
	<i>Deferred Liabilities—</i>				
1 134 700	Loan Liability	..	..	1 137 500	
75 000	Other	..	..	50 000	
<u>1 209 700</u>					<u>1 187 500</u>
<u>16 965 786</u>					<u>3 175 849</u>
					<u>20 323 364</u>

Monash University

The particulars hereunder summarise the University's Statements of Income and Expenditure for the past two calendar years. Separate statements for the University's Superannuation and Pension Schemes, the Donor-Nominated Trust Funds, the Students' Loan Fund and the Assistance to Students in Need Fund are shown in the University's published accounts, but are not included in the statement below.

<i>Income—</i>	1976	1977
	\$	\$
State Government Grants—		
Special Purposes	3 017	..
	3 017	..
 Commonwealth Government Grants—		
Recurrent Purposes	44 664 000	48 692 000
Building and Equipment Purposes	2 405 487	4 055 366
Special Purposes	1 435 027	1 649 865
	48 504 514	54 397 231
 Students' Fees including Union Fees for Operational Purposes ..	1 002 954	1 048 635
Union Fees for Union Development	333 471	348 494
Grants and Donations including Public Appeals	1 940 567	1 954 965
Other Income	2 794 410	3 319 955
	6 071 402	6 672 049
 Total Income	54 578 933	61 069 280
 <i>Expenditure—</i>		
Academic Activities	35 090 319	37 554 341
Academic Services	4 266 518	4 449 842
Student Services	1 061 935	1 228 251
General Services	9 966 966	12 017 149
Other Items	2 661 744	2 954 696
	53 047 482	58 204 279
 Total Expenditure	53 047 482	58 204 279
 <i>Result for year—</i>	1976	1977
	\$	\$
Recurrent Funds	<i>Deficit</i> 340 392	<i>Surplus</i> 1 013 629
Capital Funds	<i>Surplus</i> 955 003	<i>Surplus</i> 425 610
Research Funds	<i>Surplus</i> 68 688	<i>Surplus</i> 154 990
Grants and Donations	<i>Surplus</i> 164 579	<i>Surplus</i> 71 700
Other Funds	<i>Surplus</i> 683 573	<i>Surplus</i> 1 199 072
	<i>Net Surplus</i> 1 531 451	<i>Surplus</i> 2 865 001

Details of the Accumulated Funds at 31 December 1976 and 1977 are shown hereunder :—

	1976	1977
	\$	\$
Surpluses—		
Recurrent Funds	1 512 989	2 702 618*
Capital Funds	1 654 646	2 080 256
Research Funds	359 537	514 527
Grants and Donations	914 954	986 654
Other Funds	2 629 416	3 652 488
	<u>7 071 542</u>	<u>9 936 543</u>

* The Recurrent Funds surplus of \$2 702 618 was arrived at after taking into account a prior-year adjustment of \$176 000 in relation to Medibank.

These funds were represented by—

	1976	1977
	\$	\$
Investments—		
Fixed Interest Securities, at lower of cost or par	294 298	358 298
Ordinary Shares, at cost	468 660	421 833
Mortgage Investment Trust Units (at cost)	46 000	96 104
	<u>808 958</u>	<u>876 235</u>
Current Assets—		
Cash at Bank and on Hand	23 344	20 697
Cash on Secured Deposits	500 000	900 000
Cash on Term Deposits	9 000 000	12 600 000
Australian Savings Bonds	100 000	100 000
	<u>9 623 344</u>	<u>13 620 697</u>
Debtors—		
Accrued Government Grants	402 000	339 000
Other	785 796	1 064 171
Payments in Advance	19 457	28 087
Stock on Hand, at cost less obsolescence	803 457	782 709
	<u>11 634 054</u>	<u>15 834 664</u>
	<u>12 443 012</u>	<u>16 710 899</u>
Less—		
Current Liabilities—		
Bank Overdraft		156 487
Sundry Creditors and Accrued Expenses	3 723 208	3 702 592
Students' Fees Received in advance	647 243	727 554
	<u>4 370 451</u>	<u>4 586 633</u>
Long Term Liabilities—		
Loans on Mortgage	1 001 019	2 187 723
	<u>5 371 470</u>	<u>6 774 356</u>
	<u>7 071 542</u>	<u>9 936 543</u>

La Trobe University

The statement below gives details of the income and expenditure of the University for the calendar years 1976 and 1977. The figures for 1977 are subject to the completion of the audit.

Separate statements for the Trust Fund, Students' Loan Fund and the Assistance to Students in Need Fund are shown in the published accounts of the University, but are not included in the statement below.

<i>Income—</i>							1976	1977
Commonwealth Government Grants—							\$	\$
Recurrent Purposes	..	..	..	..	..	22 609 000	24 811 998
Building and other Capital Purposes	..	..	..	..	..	1 559 071	3 050 514
Special Purposes	..	..	..	..	..	459 152	561 664
							<u>24 627 223</u>	<u>28 424 176</u>
General Service Fees	..	..	..	..	..	733 197	866 677
Grants and Donations	..	..	..	..	..	504 760	487 440
Other Income	..	..	..	..	..	944 133	1 081 554
							<u>2 182 090</u>	<u>2 435 671</u>
Total Income	..	..	..	..	..	<u>26 809 313</u>	<u>30 859 847</u>

<i>Expenditure—</i>							1976	1977
Academic Activities	..	..	..	..	..	15 558 644	18 738 718
Academic Services	..	..	..	..	..	2 494 716	2 918 670
Student Services	..	..	..	..	..	1 564 964	1 528 994
General Services	..	..	..	..	..	3 591 675	3 799 478
Buildings and Grounds—Capital	..	..	..	..	..	2 915 597	4 584 642
Other Services	..	..	..	..	..	120 142	165 658
							<u>26 245 738</u>	<u>31 736 160</u>

<i>Balance*—</i>							1976	1977
							\$	\$
Recurrent Funds	..	..	..	..	<i>Surplus</i>	454 862	<i>Deficit</i> 705 443
Capital Funds	..	..	..	..	<i>Surplus</i>	681 583	<i>Surplus</i> 379 572
Research Funds	..	..	..	..	<i>Surplus</i>	30 613	<i>Deficit</i> 89 678
Grants and Donations	..	..	..	..	<i>Surplus</i>	9 596	<i>Surplus</i> 153 696
Other Funds	..	..	..	..	<i>Deficit</i>	613 079	<i>Deficit</i> 614 460
							<u>Net Surplus 563 575</u>	<u>Net Deficit 876 313</u>

* Takes into account inter-Fund transfers.

The net deficit of \$876 313 for the year, together with a recoup of \$28 459 from the Melbourne and Metropolitan Board of Works, resulted in the accumulated surplus funds of \$261 954, as at 31 December 1976, being reduced to an overall net deficit of \$585 900 as at 31 December 1977.

Details of the accumulated funds as at 31 December 1976, and 1977 are :—

							1976	1977
							\$	\$
Recurrent Funds	..	..	..	..	<i>Surplus</i>	1 652 091	<i>Surplus</i> 946 648
Capital Funds	..	..	..	..	<i>Surplus</i>	255 200	<i>Surplus</i> 663 231
Research Funds	..	..	..	..	<i>Surplus</i>	82 152	<i>Deficit</i> 7 526
Grants and Donations	..	..	..	..	<i>Surplus</i>	311 651	<i>Surplus</i> 465 347
Other Funds	..	..	..	..	<i>Deficit</i>	2 039 140	<i>Deficit</i> 2 653 600
							<u>261 954</u>	<u>585 900</u>
Accumulated Funds	..	..	..	..	<i>Net Surplus</i>	<u>261 954</u>	<i>Net Deficit</i> 585 900

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

The Accumulated Funds were represented by—

1976		1977	
\$	Current Assets—	\$	\$
4 931	Cash on Hand .. .. .	..	5 665
18 294	Payments in Advance .. .. .	..	2 558
350	Deposits .. .. .	..	..
	Debtors—		
231 000	Accrued Government Grants	611 697	
334 106	Other— <i>Less</i> provision for Doubtful Debts (\$2 625)	552 313	
		1 164 010	1 172 233
	Investments—		
4 600 000	Interest Bearing Term Deposits .. .. .	..	3 930 000
527 205	Government and Semi-Government Securities at Cost .. .. .	..	375 431
193 279	Company Debentures and Notes .. .. .	..	192 333
		4 497 764	385
5 675	Other Accrued Income .. .. .	..	268 307
256 741	Stocks, <i>Less</i> provision for Depreciation .. .. .	..	..
6 171 581			5 938 689
	<i>Less—</i>		
	Current Liabilities—		
962 410	Bank Overdraft .. .. .	..	1 106 166
1 085 619	Sundry Creditors and Accrued Expenses .. .. .	..	1 106 029
512 699	Income Received in Advance .. .. .	..	93 682
3 299	Other .. .. .	..	2 310
		2 308 187	
435 415	Reserves and Provisions .. .. .	..	580 502
	Long Term Liabilities—		
2 910 185	Debenture Loans .. .. .	..	3 635 900
		6 524 589	
261 954	Accumulated Funds Surplus (Deficit)	..	(585 900)

Deakin University

The statement below details the income and expenditure of the University for the calendar years 1976 and 1977. A separate statement for the Assistance to Students in Need Fund is shown in the published accounts of the University, but is not included hereunder.

	1976 \$	1977 \$
<i>Income—</i>		
Commonwealth Government Grants—		
Recurrent Purposes	693 000	9 156 000
Building Purposes	37 000	527 615
Special Purposes	188 000	785 144
	918 000	10 468 759
Private and other Government Research Grants	17 952	99 012
Other Income	20 809	660 375
	38 761	759 387
 Total Income	956 761	11 228 146
<i>Expenditure—</i>		
Academic Activities	129 316	5 887 016
Academic Services.. .. .	21 000	980 326
General Services	697 355	2 932 029
Student Services .. .. .	..	682 962
	847 671	10 482 333
 <i>Result for year—</i>		
Recurrent Funds	<i>Surplus</i> 160 961	<i>Surplus</i> 93 670
Building Funds	<i>Surplus</i> 9 012	<i>Surplus</i> 33 580
Special Funds	<i>Surplus</i> 168 000	<i>Surplus</i> 343 706
Research Funds	<i>Surplus</i> 14 394	<i>Surplus</i> 14 386
Grants and Donations .. .. .	..	<i>Surplus</i> 5 351
Other Funds	<i>Deficit</i> 243 277	<i>Surplus</i> 255 120
	<i>Net Surplus</i> 109 090	<i>Surplus</i> 745 813

The Accumulated Funds increased from \$195 875 at 31 December 1976 to \$1 357 108 at 31 December 1977. The increase of \$1 161 233 resulted from the overall surplus of \$745 813 for the year and the transfer of Accumulated Funds, represented by assets less liabilities, which were held by the Gordon Institute of Technology and the State College of Victoria—Geelong at 31 March, 1977. This transfer was effected pursuant to Section 43 (6) (b) of the *Deakin University Act 1974*.

The Accumulated Funds as at 31 December 1977 were made up of the following Funds:—

	\$	
Recurrent Funds	376 340	<i>Surplus</i>
Building Funds	39 207	<i>Surplus</i>
Special Funds	523 808	<i>Surplus</i>
Research Funds	36 489	<i>Surplus</i>
Grants and Donations	85 351	<i>Surplus</i>
Other Funds	295 913	<i>Surplus</i>
	<u>1 357 108</u>	

The Accumulated Funds were represented by :—

	\$	\$
Current Assets—		
Cash on Hand	880	
Sundry Debtors and Prepayments	90 133	
Commonwealth Grant Accrued	103 000	
Interest Receivable	59 470	
Loans to Students	13 640	267 123
	<u>2 595 000</u>	
Investments—		
Term Deposits	2 595 000	
Semi-Government Inscribed Stock	46 800	2 641 800
	<u>2 908 923</u>	
Less—		
Current Liabilities—	\$	
Bank Overdraft	583 712	
Sundry Creditors and Accrued Charges	420 470	
Income Received in Advance	94 109	
Deposits on Tender	1 617	1 099 908
	<u>1 099 908</u>	
Long Term Liabilities—		
Loans on Mortgage	151 907	
Bank Loan	100 000	251 907
	<u>251 907</u>	
Provisions—		
Long Service Leave	50 000	
Superannuation	150 000	200 000
	<u>200 000</u>	1 551 815
		<u>1 357 108</u>

State College of Victoria

The State College of Victoria was established under the provisions of the *State College of Victoria Act 1972*. The objects of the College are to advance the provision of tertiary education in branches of learning of importance in the preparation of teachers.

CENTRAL OFFICE

Income and expenditure of the Central Office of the College for the calendar years 1976 and 1977 was—

Income—	1976		1977	
State and Commonwealth Government Grants—	\$	\$	\$	\$
Recurrent	446 751		555 000	
Capital .. .. .	..		71 500	
	446 751		626 500	
Other		31 734		59 534
		478 485		686 034
<i>Expenditure—</i>				
Administration and General Overhead—				
Salaries	458 979		396 979	
Other administrative expenditure ..	51 706		53 977	
Capital .. .. .	..		3 501	
	510 685		454 457	
Buildings and Grounds				
Capital	118 069		64 853	
Recurrent	38 294		49 387	
	156 363		114 240	
Miscellaneous		27 692		39 792
		694 740		608 489
(Deficit) Surplus for year		(216 255)		77 545
Balance 1 January—Surplus		251 157		34 902
Accumulated Funds 31 December		34 902		112 447

Accumulated Funds at 31 December 1977, \$112 447, were represented by :—

	\$	\$
Investments	3 931 000	
Cash	53 467	
Sundry Debtors	22 907	
	4 007 374	
<i>Less—Sundry Creditors</i>	28 623	
Recurrent grant received in advance	86 000	
Capital Grants—Constituent Colleges	210 510	
Recurrent Grants—Constituent Colleges	3 561 000	
Film Library Trust Fund	8 794	
	3 894 927	
		112 447

CONSTITUENT COLLEGES

The *State College of Victoria Act 1972* provides that the Senate of the State College of Victoria may, with the consent of the Governor in Council, admit as a constituent college of the State College of Victoria any institution offering or proposing to offer tertiary education in any branch of learning of importance in the preparation of teachers.

The ten former teachers' colleges of the Education Department, the former Melbourne Kindergarten Teachers College and the Institute of Catholic Education have been admitted as constituent colleges.

Funds for the constituent colleges were provided by the State from the Consolidated Fund and by the Commonwealth mainly under the provisions of its *States Grants (Advanced Education) Act 1976* and its *States Grants (Advanced Education Assistance) Act 1976*.

The following statement prepared from accounts of the various constituent colleges shows the sources and disbursement of funds for the year ended 31 December 1977, compared with the previous year

1976		1977
\$		\$ \$
8 762 579	<i>Sources of Funds—</i>	
	Balance 1 January	5 988 849
	<i>Grants—States Grants (Advanced Education) Act 1976 and States Grants (Advanced Education Assistance) Act 1976</i>	
43 382 090	Recurrent Purposes—Commonwealth	41 550 780
4 271 756	Capital Purposes—State and Commonwealth	5 451 252
595	Special Education Purposes—Commonwealth .. .. .	..
41 517	Student Residences Purposes—Commonwealth.. .. .	22 286
<hr/>		<hr/>
47 695 958		47 024 318
	<i>Grants—States Grants (Schools Assistance) Act 1976</i>	
260 100	Special and Librarian Teacher Training Purposes	768 978
1 105 663	Interest	1 032 040
449 781	Other Income	722 805
<hr/>		<hr/>
58 274 081		49 548 141
<hr/>		<hr/>
	<i>Disbursement of Funds—</i>	
	Recurrent—	
37 706 206	Salaries	35 891 694
1 742 491	Other Administrative Expenses	1 893 526
420 211	Travelling Expenses.. .. .	453 465
1 780 375	Buildings, Premises and Grounds	1 160 912
4 010 653	Materials and Equipment	3 962 655
299 484	Miscellaneous	258 034
<hr/>		<hr/>
45 959 420		43 620 286
	Capital—	
4 463 459	Buildings	2 792 974
760 280	Land and Property	1 944 768
364 877	Equipment	543 257
44 594	Planning	19 525
268 495	Other Works and Services	878 385
<hr/>		<hr/>
5 901 705		6 178 909
	<i>Special Grants—Special Teacher and Library Teacher Training</i>	
163 243	Student Residences	557 718
142 697	Other	91 880
118 167		367 550
<hr/>		<hr/>
52 285 232		50 816 343
<hr/>		<hr/>
5 988 849	Unexpended Balance, 31 December	4 720 647
<hr/>		<hr/>

Victoria Institute of Colleges

The Victoria Institute of Colleges was constituted under the provisions of the *Victoria Institute of Colleges Act 1965*. The Act confers on the Institute such powers as are necessary or expedient to co-ordinate and advance the provision of tertiary education in certain institutions.

The Income and Expenditure of the Institute for the calendar years 1976 and 1977 are detailed below. The College Central Funds held by the Institute are for use on approved educational programs for the benefit of the Colleges of Advanced Education within the Institute system.

1976		State Co-ordin- ating Body	1977	Total
\$		\$	\$	\$
	<i>Income—</i>			
	Commonwealth Grants—			
916 217	For Recurrent Purposes	1 011 043	254 040	1 265 083
1 506 960	For Capital Purposes	6 199	6 250	12 449
<u>2 423 177</u>		<u>1 017 242</u>	<u>260 290</u>	<u>1 277 532</u>
1 114	Grants and Donations .. .. .	..	..	..
71 634	Other (including Degree Fees)	60 822	..	60 822
<u>72 748</u>		<u>60 822</u>	<u>..</u>	<u>60 822</u>
<u>2 495 925</u>	Total Income	<u>1 078 064</u>	<u>260 290</u>	<u>1 338 354</u>
	<i>Expenditure—</i>			
	Administrative and General Overhead—			
639 408	Salaries	681 841	36 620	718 461
157 392	Other Administrative Expenditure	108 648	57 123	165 771
<u>796 800</u>		<u>790 489</u>	<u>93 743</u>	<u>884 232</u>
	Libraries—			
12 700	Salaries	13 580	..	13 580
3 084	Books, Publications	3 822	..	3 822
<u>15 784</u>		<u>17 402</u>	<u>..</u>	<u>17 402</u>
	Buildings and Grounds			
1 309 960	Capital	6 199	6 250	12 449
92 989	Recurrent	84 322	71 090	155 412
<u>1 402 949</u>		<u>90 521</u>	<u>77 340</u>	<u>167 861</u>
64 351	Miscellaneous	74 549	7 240	81 789
<u>2 279 884</u>	Total Expenditure	<u>972 961</u>	<u>178 323</u>	<u>1 151 284</u>
<u>216 041</u>	<i>Surplus</i>	<u>105 103</u>	<u>81 967</u>	<u>187 070</u>

Accumulated Funds at 31 December 1977 amounted to \$500 752 and comprised Recurrent Funds, State Co-ordinating Body, \$368 805, Recurrent Funds, College Central Funds, \$109 029, and Grants and Donations, \$22 918.

The Accumulated Funds at 31 December 1976, and 1977 were represented by the following balances :—

1976		1977
\$		\$
351 000	Investments—Interest Bearing Term Deposits	580 000
106 761	Sundry Debtors and Prepayments	47 231
58 344	Cash	69 345
18 887	Stocks on Hand	19 860
225 000	Advance to Education Department for purchase of Wantirna Land .. .. .	..
<u>759 992</u>		<u>716 436</u>
221 310	Less Sundry Creditors	215 684
<u>538 682</u>		<u>500 752</u>

COLLEGES OF ADVANCED EDUCATION

The main source of funds for Colleges of Advanced Education was the Commonwealth.

The following statement compares the sources and disbursement of funds for the past two calendar years. The figures are subject to the completion of the audit of the accounts of a number of the Colleges.

1976		1977	
\$		\$	\$
<i>Sources of Funds—</i>			
Grants—			
80 496 697	For Recurrent Purposes—General	86 928 917	
138 368	Halls of Residence	123 156	
24 081 341	For Capital Purposes	16 882 987	
1 806 142	Other Income	2 680 292	
<hr/>		<hr/>	
106 522 548	Total Funds Available	106 615 352	
<hr/>		<hr/>	
<i>Disbursement of Funds—</i>			
Recurrent—			
56 874 309	Teaching	60 673 225	
9 920 896	Administrative and General Overhead	11 507 356	
5 164 660	Libraries	5 352 252	
508 707	Halls of Residence	492 103	
11 718 509	Buildings, Premises and Grounds	8 587 954	
1 038 869	Miscellaneous	1 477 339	
<hr/>		<hr/>	88 090 229
85 225 950			
<hr/>			
Capital—			
20 152 504	Buildings	13 484 438	
3 473 321	Land and Property	1 046 745	
1 013 040	Equipment	2 299 224	
<hr/>		<hr/>	16 830 407
24 638 865			
<hr/>			
288 724	Library Acquisitions	61 819	
<hr/>		<hr/>	
110 153 539	Total Funds Disbursed	104 982 455	
<hr/>		<hr/>	
3 630 991	Balance Overspent (Underspent)	(1 632 897)	
<hr/>		<hr/>	

FORESTS COMMISSION

The expenditure of the Department from the Consolidated Fund for the year was \$39 217 339 against which there were receipts of \$15 856 237, resulting in a net outgoing of \$23 361 102 compared with \$17 476 904 for the previous year. Details of expenditure and receipts for the two years are :—

	<i>Expenditure</i>	1976-77	1977-78
		\$	\$
Special Appropriation—			
Pensions		792 992	963 246
Grants to the Forestry Fund		7 631 056	7 504 919
Debt Charges		5 522 341	6 696 696
		13 946 389	15 164 861
Vote—			
Salaries and Payments in the Nature of Salary		8 124 183	9 210 052
Pay-roll Tax		393 128	438 517
Other Administrative Expenses		248 260	176 097
Utilization of Forest Produce		667 605	563 011
Contribution to the National Sirex Fund		15 535	12 841
Contribution—Timber Promotion Council		117 437	101 801
Sundry Expenses		12 250	12 250
Electronic Data Processing Expenses	102 728
		9 578 398	10 617 297
Works and Services Account—			
Plantations		4 328 455	4 679 226
General Operations, etc.		3 404 538	3 770 831
Fire Protection		1 728 352	3 794 778
Extraction Roads		751 154	904 652
Advances—Farm Forestry		70 635	285 694
		10 283 134	13 435 181
Total Expenditure		33 807 921	39 217 339
Receipts			
Royalties		15 023 855	14 795 386
Sale of Forest Produce		716 665	564 308
Rents, etc.		238 257	214 453
Loan Repayments		71 116	57 235
Other		281 124	224 855
Total Receipts		16 331 017	15 856 237
Net Outgoing		17 476 904	23 361 102

The Commonwealth, under its *Softwood Forestry Agreements Act 1967*, may advance money for the purpose of increasing the rate of softwood planting in Australia during the succeeding 35 years. This Act authorised an Agreement to provide financial assistance to the State over a five-year period which terminated on 30 June 1971. At that date, \$2 204 198 had been so advanced by the Commonwealth.

Pursuant to the Commonwealth's *Softwood Forestry Agreements Act 1972*, a second agreement between the Commonwealth and the State, retrospective to 1 July 1971, has been authorised. The Schedule to the Act contains the annual program of planting by the State over the six-year period ended 30 June 1977, the conditions on which the advances are made, the interest payable and the terms of repayment.

At 30 June 1978, \$4 981 347 had been advanced by the Commonwealth on account of the second Agreement.

A third Agreement providing financial assistance by the Commonwealth during the year commencing 1 July 1977, has been authorised by the Commonwealth's *Softwood Forestry Agreements Act 1978*. Expenditure to 30 June 1978 under this Agreement amounted to \$3 244 689.

TRUST ACCOUNTS

Forestry Fund

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

	1976-77	1977-78
	\$	\$
Balance 1 July	666 220	950 771
Receipts—		
Grants from the Consolidated Fund	7 631 056	7 504 920
Fire Suppression costs recovered .. .. .	.. .. .	471
	8 297 276	8 456 162
Expenditure—		
Operating and Other Expenses	3 241 060	2 643 724
Forest Protection	769 442	934 250
Silvicultural Works	197 331	241 658
Road Works	1 594 641	1 654 615
Plantations and Nurseries	369 632	487 641
Forest Recreation	47 775	77 843
Maintenance of Buildings	218 249	285 183
Supervision (Salaries)	820 938	1 104 174
Contribution—Timber Promotion Council	87 437	71 801
	7 346 505	7 500 889
Balance 30 June	950 771	955 273

Commonwealth-State Sirex Trust Account

In the financial year 1961-62, a National Sirex Fund was created to which the Commonwealth and the States agreed to contribute on a \$1 for \$1 basis, and, to 30 June 1974, Victoria had contributed \$421 930 as its share. To the same date, Victoria had received \$2 353 100 from the Fund for credit to its Sirex Trust Account, and had applied \$2 349 561 of this amount towards the control and eradication of the sirex wasp.

Under a new funding arrangement, effective from 30 June 1974, Victoria became responsible for the collection of contributions and the administration of expenditure relating to survey and control operations. A summary of transactions within the Trust Account for the past two years is given hereunder :—

	1976-77		1977-78	
	\$	\$	\$	\$
Balance 1 July		23 119		21 522
Add Contributions—				
States—Victoria	15 535		12 841	
Other States	50 050		42 756	
Private Sector and other Bodies	2 003	67 588	3 000	58 597
		90 707		80 119
Less Expenditure during year		69 185		53 538
Balance 30 June		21 522		26 581

Forests Stores Suspense Account

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

The Account is charged with expenditure on stores, fuel and material, on repairs to plant and machinery, and in connection with the manufacture and repair of articles.

As such stores or manufactured articles are issued for use, the Account is credited with the value of the articles concerned and the appropriate works or other allocation debited.

Costs of repairs to plant and machinery, including motor vehicles, charged to the Account are offset by credits—

- (i) arising from a proportion of the hire charges in respect of plant and machinery ; and
- (ii) from recoups by other funds or appropriations on account of particular repair costs properly chargeable to such funds or appropriations.

The balance at credit of the Forests Stores Suspense Account in the Treasurer's books at 30 June 1978 was \$374 861.

Forests Plant and Machinery Fund

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

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

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

The following statement summarises operations within the Plant and Machinery Fund for the past two years :—

	1976-77	1977-78
	\$	\$
Balance 1 July	309 461	851 198
Plant Hire—Renewals and Replacements Component ..	1 345 164	1 733 723
Sale of Plant	243 889	323 032
Contribution from Forestry Fund	250 000	..
	<hr/>	<hr/>
	2 148 514	2 907 953
 Less Expenditure on Renewals	 1 297 316	 2 240 084
	<hr/>	<hr/>
Balance 30 June	851 198	667 869

Forest Equipment Hire Account

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

Credits to the Account during the year amounted to \$871 191 and expenditure charged totalled \$669 000. At the close of the year, the balance at credit of the Account was \$311 779.

Timber Promotion Committee Trust Account

Amounts paid into the Account included appropriations from the Consolidated Fund of \$101 801 and a contribution from the Forestry Fund of \$71 801. Expenditure in 1977-78 amounted to \$280 204, and at 30 June 1978 the balance in the Account was \$48 034.

HEALTH

The Department of Health was established for the purpose of promoting the health of the people throughout Victoria.

Expenditure from the Consolidated Fund upon health services for the years ended 30 June 1977 and 1978 was :—

1976-77		1977-78
\$		\$ \$
	Special Appropriation—	
4 045 572	Pensions	5 346 987
33 090	Other	37 185
<hr/>		<hr/>
4 078 662		5 384 172
	Vote—	
304 105 366	Health—Salaries, General Expenses, etc.	337 879 577
899 760	Treasury—Workers Compensation Insurance, Pay-roll Tax	1 934 808
2 271 743	Public Works—Maintenance, Rents, etc.	1 972 938
<hr/>		<hr/>
307 276 869		341 787 323
36 649 365	Works and Services Account—Capital Items, etc.	20 039 920
681 020	Public Account Advances .. .. .	..
<hr/>		<hr/>
348 685 916		367 211 415

Receipts totalled \$42 746 210, so that the net cost of health services to the Consolidated Fund was \$324 465 205, an increase of \$13 902 417 compared with the previous year.

The item “ Health—Salaries, General Expenses, etc., \$337 879 577 ” includes the State’s contribution of \$161 154 000 to the Hospitals and Charities Fund towards the maintenance of public hospitals and other registered institutions, etc. Particulars of this Fund are shown on page 90 of this Report.

Major increases in expenditure occurred in :—

	\$	\$
Salaries .. .. .	..	12 061 435
Subsidies—		
Kindergartens, Pre-school Centres etc.	5 961 279	
Elderly Citizens Centres and Home Help Schemes	1 109 224	
	<hr/>	7 070 503
Pre-school Scholarships and Free Milk Schemes .. .. .	..	350 775
Dental Centres, Clinics and Mobile Services .. .. .	..	1 142 670

Under the provisions of the *Health (Fluoridation) Act 1973*, any water supply authority may, on the recommendation of the Commission of Public Health, be reimbursed the net capital costs and expenses incurred in the installation of the necessary equipment and control measures for adding fluoride to its water supply.

Claims submitted by the Melbourne and Metropolitan Board of Works during 1977-78, totalling \$761 560, were paid from funds provided under the Water Supply Works and Services Acts, making a total so provided at 30 June 1978, of \$4 749 493.

For the purpose of this Report, departmental finances are dealt with under the headings—General Health, Tuberculosis, Maternal and Child Welfare, Pre-school Child Development, Dental Health Services, Mental Hygiene, and Alcoholism and Drug Dependency Services. Central administrative costs of the Department of Health, including the Government portion of pension payments are included under General Health Branch. Rental of the offices at 555 Collins Street has been apportioned among the various branches of the Department occupying the premises for 1976-77 and 1977-78.

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

General Health Branch

The functions of this Branch relate to the prevention, limitation and suppression of disease, and to elderly people's centres, home help schemes, food standards, safety of buildings, etc.

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

	1976-77	1977-78
	\$	\$
Special Appropriation and Vote—		
Central Administration.. .. .	5 950 814	7 614 605
Cancer Institute—Maintenance, etc.	5 768 498	6 544 500
Infectious Diseases	916 992	1 052 857
Venereal Diseases	302 005	369 907
Inspection of Buildings, Food Supervision, etc.	3 252 819	3 655 362
Miscellaneous Grants	1 554 572	1 703 048
Subsidies—Home Help Scheme, Nurse Training, etc.	11 133 111	11 986 075
Contribution to Hospitals and Charities Fund	149 553 435	161 154 000
Arbo-Encephalitis Project	33 860	63 980
 Works and Services Account—		
Cancer Institute	8 000 000	2 999 843
Bush Nursing Hospitals	792 555	798 699
Elderly Citizens' Centres	1 243 787	977 155
Homes for the Aged etc.	195 000	..
General Nursing Curriculum	485 102	..
Fluoridation—M.M.B.W. Recoup	2 505 444	761 559
Other	473 936	537 072
 Public Account Advances*—		
Elderly Citizens' Centres—Capital Subsidies	681 020	..
	192 842 950	200 218 662

* Advanced under Section 18 (1) (b) of the *Public Account Act* 1958, pending receipt of Commonwealth funds for the projects concerned.

Receipts in the same periods were :—	\$	\$
Registration and other Fees	515 557	629 986
Commonwealth Recoups—		
Home Care Services	1 912 751	2 541 955
Elderly Citizens' Centres (including Welfare Services) .. .	1 829 130	1 503 502
Para-medical Services	263 254	282 589
Community Health Projects	1 795 657	1 730 719
Other Receipts	168 606	576 606
	6 484 955	7 265 357
The net cost to the Consolidated Fund was	186 357 995	192 953 305

In addition, funds were also provided from the Commonwealth Assistance—Medibank Trust Account for the Cancer Institute, \$6 717 843, cytology services, \$355 378, exotic diseases, \$87 779, and Heatherton, \$861 458. Particulars of the transactions on this Account are given at page 91.

Commonwealth Community Health Program Trust Account.—In 1977–78, the Commonwealth provided advances totalling \$17 669 810 towards capital and operating costs of certain specifically approved Community Health Centres and allied activities. These advances, together with the balance forward from 1976–77 of \$1 886 698, made a total of \$19 556 508 available for expenditure as follows :—

	\$
Community Health Centres, Day Hospitals, and allied organisations	14 095 492
Community Mental Health Centres, etc.	1 484 160
Alcoholism and Drug Dependency Services	251 574
	15 831 226

The balance in the Account at 30 June 1978 was \$3 725 282.

Aboriginal Health Services Trust Account.—During 1977–78, the Commonwealth provided advances totalling \$508 000 for the provision of health services for aboriginals which, together with the balance brought forward of \$1 171, made a total available for this purpose of \$509 171. Expenditure in the year amounted to \$470 055, leaving a balance in the Account at 30 June 1978 of \$39 116.

Tuberculosis Branch

This Branch is responsible for providing a free and comprehensive service for the prevention, early detection and treatment of tuberculosis.

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

	1976-77	1977-78
	\$	\$
Special Appropriation and Vote—		
Operation of sanatoria, tuberculosis wards, bureaux, mass X-ray services, etc. 	6 185 658	5 748 234
Works and Services Account—		
State sanatoria and clinics, etc. 	249 367	90 635
	6 435 025	5 838 869
Receipts for the corresponding periods are compared thus :—		
Commonwealth recoup under <i>Health Act</i> 1958 	2 845 515	1 657 972
Commonwealth recoup under Medibank agreement .. ..	..	861 458
Recoup—Alcoholism and Drug Dependency Services 	750 488	876 210
Recoup—Prince Henry's Hospital Unit 	346 554	647 423
In-patients' charges—Heatherton .. .. .. ..	..	422 198
Out-patients' charges—Clinics .. .. .. ..	..	5 766
Other 	51 106	54 478
	3 993 663	4 525 505
The net cost to the Consolidated Fund was 	2 441 362	1 313 364

Maternal and Child Welfare Branch

This Branch is engaged in activities for the welfare of mothers and children, including the operation of the school medical and infant welfare services and the provision of facilities for pre-school child development.

MATERNAL AND INFANT WELFARE DIVISION

Expenditure from the Consolidated Fund over the past two years was as follows :—

	1976-77	1977-78
	\$	\$
Vote—		
School Medical Services 	1 823 794	1 982 140
Subsidies—Infant Welfare Centres etc. 	3 294 177	3 745 557
Health Services for Children in Care of Social Welfare Department	146 162	182 955
Infant Welfare Scholarships 	123 864	117 001
Ante-natal and Family Planning Clinics 	90 622	108 991
Other—including administration 	1 295 903	1 352 608
Works and Services Account—		
Buildings and Equipment, etc. 	583	51 779
	6 775 105	7 541 031
Receipts for the corresponding periods were:—		
Sales of Publications, Recoups, etc. 	66 673	93 424
The net cost to the Consolidated Fund was 	6 708 432	7 447 607

PRE-SCHOOL CHILD DEVELOPMENT DIVISION

This Division is responsible for the operations of kindergartens, pre-school centres, crèches and day nurseries, etc.

Expenditure in the past two years was as follows :—

Vote—	1976-77	1977-78
	\$	\$
Subsidies—Kindergartens and Pre-school Centres ..	19 479 689	23 697 509
Crèches and Day Nurseries	1 137 689	1 260 610
Kindergarten Supervision	80 869	98 829
	<hr/>	<hr/>
Pre-school Teaching Scholarships	20 698 247	25 056 948
Knox Pilot Project	392 245	431 034
Pre-school Free Milk Scheme	261 378	263 510
Other—including administration	168 023	479 998
	958 532	1 110 560
Works and Services Account—		
Subsidies—Pre-school Centres etc.	1 599 880	1 748 947
Pre-school Dental Clinics .. ..	..	10 000
	<hr/>	<hr/>
	24 078 305	29 100 997

Receipts for the corresponding periods were :—

Commonwealth Payment—Pre-school education and care ..	13 119 315	13 225 000
	<hr/>	<hr/>
The net cost to the Consolidated Fund was	10 958 990	15 875 997

Subsidies for kindergarten and pre-school centres increased by \$4 217 820 in 1977-78 over the previous year due, mainly, to the additional staff employed in the kindergarten and pre-school centres and related operating costs.

Commonwealth Grant—Pre-school Child Education and Care Trust Account.—During 1977-78 net Commonwealth advances credited to this Account totalled \$4 364 579 which sum, together with the balance brought forward from 1976-77 of \$2 353 098, made a total of \$6 717 677 available for expenditure as follows :—

Health Department—

Kindergartens and Pre-school Centres etc.—	\$	\$
Capital	1 674 836	
Recurrent	651 200	
	<hr/>	2 326 036

Education Department—

Recurrent	55 000
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Youth, Sport and Recreation Department—

School holidays programs—

Capital	5 863	
Recurrent	139 140	
	<hr/>	145 003

Social Welfare Department—

Recurrent	117 175
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Total Expenditure		2 643 214
Balance in the Account at 30 June 1978		4 074 463
		<hr/>
Total available for expenditure		6 717 677

Dental Health Services Branch

The activities of this Branch relate to preventive dentistry by providing facilities such as Dental Centres, Clinics and Mobile Services.

Expenditure from the Consolidated Fund in the past two years was :—

	1976-77	1977-78
	\$	\$
Vote—		
Salaries, etc.	1 508 520	2 324 318
Dental Centres, Clinics and Mobile Services (including subsidies)	581 985	1 724 655
Children under the Care of the Social Welfare Department	104 982	133 518
Penal Establishments	26 904	37 186
Training Allowances and Scholarships	282 389	409 793
Dental Therapist Training School—Expenses	211 031	199 992
Other	113 888	209 409
Works and Services Account—		
Buildings and Equipment, etc.	47 362	184 801
	2 877 061	5 223 672
Receipts for the year were :—		
Commonwealth Payment—Australian School Dental Program	1 936 598	2 391 271
Other	4 054	1 547
	1 940 652	2 392 818
The net cost to the Consolidated Fund was	936 409	2 830 854

The increased expenditure of the Branch during 1977-78 related to the employment of additional dental therapists and associated additional running expenses of the Dental Centres, Clinics and Mobile Services.

Commonwealth Dental Service Capital Trust Account—This Account was established in 1973-74 to record transactions relative to Commonwealth grants provided for the purpose of developing an adequate dental service for all school children.

During 1977-78, the Commonwealth provided advances for the dental therapy school of \$1 292 690 and for the mobile school dental clinics of \$993 595 totalling \$2 286 285, which, together with the balance brought forward of \$377 445, made a total of \$2 663 730 available for expenditure. Expenditure on the construction and equipping of the dental therapy school amounted to \$1 373 508, bringing total expenditure for this purpose to \$6 424 528 at 30 June 1978. Expenditure in relation to the provision of mobile school dental clinics totalled \$920 332. The balance in the Account at the close of the year was \$369 890.

Mental Hygiene Branch

This Branch is responsible for the treatment and prevention of mental illness and intellectual defectiveness.

Gross expenditure by this Branch from the Consolidated Fund was \$113 154 323, and after taking into consideration receipts of \$14 995 672, the net cost of mental health services was \$98 158.651, compared with \$91 143 155 in the previous year.

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

Vote—	1976-77	1977-78
	\$	\$
Health—Salaries and Payments in the Nature of Salary ..	76 445 754	86 086 793
General Expenses	10 170 655	11 051 813
Child Endowment Transfer	129 250	275 800
Community Health Projects—Operating Expenses ..	1 851 264	2 720 929
Grants	9 704	5 000
Subsidies .. .. .	..	22 000
	88 606 627	100 162 335
Treasury—Workers Compensation Insurance	362 004	1 134 709
Public Works—Maintenance and Rents	302 191	232 981
Works and Services Account	14 120 774	11 624 298
	103 391 596	113 154 323

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

	1976-77	1977-78
	\$	\$
Maintenance of patients—principally amounts received from the Commonwealth on account of pensioner and repatriation patients	8 838 082	12 584 666
Accommodation and meals	573 319	577 367
Commonwealth Pharmaceutical Benefits	761 152	163 790
Sales of Produce	15 749	13 819
Commonwealth Recoup—Community Health Projects ..	1 889 401	1 438 644
Other	170 738	217 386
	12 248 441	14 995 672
The net cost to the Consolidated Fund was	91 143 155	98 158 651

Particulars of expenditure under classified heads for the same periods were:—

Vote—	<i>Item</i>	1976-77	1977-78
		\$	\$
Salaries		67 772 590	76 451 464
Overtime and penalty rates		7 678 969	8 723 664
Payments in lieu of long service leave		994 195	911 665
		76 445 754	86 086 793
Provisions and extra articles		3 721 292	4 026 865
Clothing, bedding, etc.		666 098	672 451
Stores, etc.		1 324 605	1 469 442
Fuel, light, power and water		1 611 443	1 792 706
Drugs and medicines		995 552	1 162 183
Repairs, maintenance and rents		302 191	232 981
Boarded-out patients		600 000	532 722
Travelling and subsistence		215 606	238 430
Postal and telephone expenses		478 259	525 849
Community Health Projects—operating expenses ..		1 851 264	2 720 929
Transfer to Intellectually Handicapped Children's Amenities Account ..		129 250	275 800
Other		329 508	1 792 873
		89 270 822	101 530 024
Works and Services Account—			
Buildings and equipment of State institutions		10 081 028	9 368 368
Minus Children Building Project—Contribution		762 671	483 427
Grants for Capital Works—other institutions		3 277 075	1 772 504
		103 391 596	113 154 323

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

	\$
University of Melbourne—Mental Health Research	20 000
Non-Government Institutions—Grants for maintenance	6 869 314
	<u>6 889 314</u>

Commonwealth Community Health Program Trust Account—Funds totalling \$1 484 160 were applied during the year from the Commonwealth Community Health Program Trust Account towards recouping the Consolidated Fund for the costs of a number of specifically approved mental health projects. Particulars of the receipts and payments of this latter account are shown at page 83.

Hospitals Development Program (Commonwealth) Trust Account—During 1977–78, the sum of \$1 000 000 was applied from this account to recoup the Geelong Hospital for capital expenditure on the Geelong Psychiatric Centre.

Commonwealth Apprentices Employment Scheme Trust Account—During the year the sum of \$135 552 was applied from this fund to meet the cost of additional apprentices employed in the Mental Hygiene Branch.

Alcoholism and Drug Dependency Services Branch

The Victorian Alcoholics and Drug-Dependent Persons Services were established to develop a co-ordinated response to individual and community problems associated with the use of alcohol and other drugs.

Expenditure of the Branch for the past two years comprised :—

Vote—	<i>Item</i>	1976–77 \$	1977–78 \$
Salaries		3 163 898	3 607 375
Overtime and penalty rates		305 600	326 259
Payments in lieu of Long Service Leave		15 906	29 574
		<u>3 485 404</u>	<u>3 963 208</u>
Provisions and extra articles		77 976	89 954
Clothing, bedding, etc.		11 047	6 638
Stores, etc.		115 454	46 966
Fuel, light, power and water		53 715	69 773
Drugs and medicines		45 877	58 998
Repairs, Maintenance and Rents		86 128	99 281
Hospital Care Unit—Heatherton		750 488	876 211
Community Health Projects—Operating costs		256 510	394 872
Grants—			
Victorian Foundation on Alcoholism and Drug Dependency		45 000	50 000
Buoyancy Foundation of Victoria		15 000	15 000
Moreland Hall Alcoholism Rehabilitation Centre		15 000	15 000
Other		92 741	192 829
		<u>5 050 340</u>	<u>5 878 730</u>
Works and Services Account—			
Buildings and equipment.. .. .		263 484	255 132
		<u>5 313 824</u>	<u>6 133 862</u>
Receipts of the Branch in the same periods were:—			
Commonwealth Recoup—Community Health Projects		237 234	215 205
Accommodation and meals		27 791	30 030
Other		4 006	3 199
		<u>269 031</u>	<u>248 434</u>
The net cost to the Consolidated Fund was		<u>5 044 793</u>	<u>5 885 428</u>

During 1977-78, a further sum of \$41 190 was charged directly to the Commonwealth Community Health Program Trust Account in respect of the following projects (\$69 895 in 1976-77) :—

	\$	\$
Moreland Hall Alcoholism Rehabilitation Centre .. ..	..	3 375
Victorian Foundation on Alcoholism and Drug Dependency..	..	1 275
Lifeline..	27 206	..
Palm Lodge	32 177	27 900
St. Vincent's Hospital	10 512	8 640
	<hr/>	<hr/>
	69 895	41 190
	<hr/>	<hr/>

In addition to the above, expenditure was met during the same period from the Drug Education Program Trust Account for the following projects :—

	\$	\$
Health Education Centre—Drug Dependency	152 849	150 866
Pilot Survey of Drug Use	1 361	..
	<hr/>	<hr/>
	154 210	150 866
	<hr/>	<hr/>

HOSPITALS AND CHARITIES COMMISSION

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

During 1976–77, the Commonwealth and Victorian Governments entered into an Agreement, pursuant to Section 30 of the Commonwealth's *Health Insurance Act* 1973, which provides for the sharing, in equal proportions, of the net operating costs of recognised public hospitals. The Agreement also provides for the sharing, in agreed proportions, of the cost of certain central services. The Agreement came into operation on 1 October 1976.

The State's share of the costs of operating those hospitals, specified in the Agreement, is met from the Hospitals and Charities Fund. In addition, payments are made from the Fund to meet the operating costs of other institutions where cost-sharing arrangements with the Commonwealth do not apply.

A supplementary maintenance grant which was made available to hospitals in June, 1975, and the maintenance grant for July, 1975, were subject to special conditions of repayment, either in whole or in part, by the hospitals, in the event of the State entering into an Agreement with the Commonwealth in relation to the provision of hospital services.

The total amount recoverable from hospitals under the special conditions of repayment in respect of accumulated surpluses on Maintenance Fund Accounts at 30 June 1976 was \$11 274 247. Repayments to 30 June 1978 amounted to \$10 319 963 leaving a balance outstanding of \$954 284. Amounts recovered during 1977–78 totalled \$3 164 757.

Hospitals and Charities Fund

Subject to administrative and other costs, a total of \$304 097 328 was available in the Hospitals and Charities Fund for distribution (\$268 651 129 in 1976–77). The amounts during the two years were provided by :—

1976–77		1977–78
\$		\$
1 600 000	Special Appropriation, Act No. 6274	1 600 000
42 745 364	Special Appropriation, Act No. 6353—Totalizator Receipts	44 950 011
53 965 745	Special Appropriation, Act No. 6390—Tattersall Receipts	65 045 602
149 553 435	Annual Appropriation—Health Department	161 154 000
..	Transfer from Bingo Fund	119 297
7 155 206	Repayments by hospitals of surpluses on Maintenance Fund Accounts (Pre-Cost Sharing) as at 30 June 1976	3 164 757
255 019 750		276 033 667
13 631 379	Balance forward—1 July	28 063 661
268 651 129		304 097 328

Expenditure for the two years was as follows :—

Maintenance—

200 248 605	Hospitals	220 935 362
16 933 169	Hospitals for the Aged	15 715 895
4 959 455	Ambulance Services	5 761 008
4 373 264	Philanthropic Organizations	5 020 609
2 104 200	District Nursing Societies	2 140 500
1 615 994	Training Schools (Nursing, etc.)	2 101 850
1 302 180	Blind, Deaf and Dumb Institutions	1 495 775
789 567	Commonwealth Community Health Program—State Proportion	2 866 270
740 610	Foundling Homes and Refuges	892 548
689 040	Hostels for the Aged	839 883
458 950	Community Health Centres	542 900
446 114	Institutes for Maternal and Infant Welfare	438 684
554 916	Other Institutions	615 620
254 759	Hospitals Superannuation Board	405 961
4 223 855	Insurance—Composite, Public Liability and Workers Compensation	4 490 432

239 694 678		264 263 297
1 355 661	Less Refund from Commonwealth Blood Transfusion Service	1 376 000

238 339 017		262 887 297
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Other—

202 229	Costs associated with Totalizator Receipts	240 949
59 064	Training of Officers	50 404
165 106	Recruitment and Training of Nurses	113 876
1 822 052	Administration Costs	1 986 133

240 587 468		265 278 659
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28 063 661	Balance of Fund—30 June	38 818 669
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Commonwealth Assistance—Medibank Trust Account

This Account was established in 1975–76 to record the receipt and disbursement of funds provided by the Commonwealth under cost sharing arrangements with the State.

During 1977–78, Commonwealth advances totalling \$228 556 581 were received by the State under the cost sharing Agreement which came into operation on 1 October 1976. Payments from the Account in respect of hospitals and central services totalled \$227 354 264. A summary of transactions for the year is given hereunder :—

	\$	\$
Balance 1 July, 1977		1 364 236
Receipts—		
Advances from Commonwealth		228 556 581
		<u>229 920 817</u>
Expenditure—		
Recognised Hospitals	218 794 490	
Central Services	8 559 774	
		<u>227 354 264</u>
Balance 30 June, 1978		<u>2 566 553</u>

Works and Services Account

In addition to the assistance provided from the Hospitals and Charities Fund and the Commonwealth Assistance-Medibank Trust Account to hospitals and other institutions, payments have been made from the Works and Services Account for or towards the erection of public hospitals, the purchase of land and buildings and other items. The amount expended from this source during the year was \$ 651 686. Details of payments from the Works and Services Account to individual institutions are shown in the Treasurer's Finance Statement, pages 136 to 139.

Hospitals Development Program (Commonwealth) Trust Account

In 1977-78, the Commonwealth provided capital assistance totalling \$11 800 000 under the Hospitals Development Program. A summary of receipts and expenditure for the past two years is shown hereunder :—

1976-77									1977-78
\$									\$
27 000 000	Receipts	..	..	..	..	..	..	..	11 800 000
	Expenditure—								
24 250 117	Hospitals	..	..	..	..	..	..	..	9 552 425
2 249 291	Hospitals for the Aged	..	..	..	..	..	..	..	1 247 575
500 000	Geeiong Psychiatric Unit	..	..	..	..	..	..	..	1 000 000
592	Other	..	..	..	..	..	..	..	..
<u>27 000 000</u>									<u>11 800 000</u>

HOUSING

Pursuant to the provisions of the *Housing Ministry Act 1972*, the Ministry of Housing was established for the administration of the laws relating to housing in Victoria.

The Ministry is responsible for administering the legislation relating to the Housing Commission, the Home Finance Trust, the Teacher Housing Authority, the Decentralized Industry Housing Authority and the Registry of Co-operative Societies, Building Societies and Co-operative Housing Societies.

Details relating to the Housing Commission, the Teacher Housing Authority and the Home Finance Trust will be given in my Supplementary Report.

The Registry of Co-operative Housing Societies administers the Home Builders' Accounts, from which money is made available to Co-operative Housing Societies. Reference to these Accounts is made on pages 31, 32 and 37 of this Report.

The Registry is also responsible for administering the special \$25 million Housing Assistance Scheme, which came into operation during the year. These funds were made available from the State Savings Bank and five private banks for allocation through new co-operative housing societies, at subsidised interest rates, to eligible borrowers whose income precluded them from enjoying existing co-operative housing rates. To 30 June 1978, \$17 736 200 had been paid out to societies under this scheme.

Decentralized Industry Housing Authority

The Decentralized Industry Housing Authority was established under the provisions of the *Decentralized Industry (Housing) Act 1973*.

The purpose of the Authority is to assist in the provision of adequate housing for persons employed in country industries or in any country public administration.

Moneys appropriated by Parliament for the purposes of the Act and all other moneys received by the Authority are paid into the Decentralized Industry Housing Fund. Transactions during the past two years in relation to the Authority were :—

	1976-77	1977-78
	\$	\$
Balance 1 July	116 903	221 674
Receipts—		
Consolidated Fund—Grant	82 500	81 000
Loans from Banks	800 000	1 000 000
Interest on Investments	15 059	35 068
Interest and Repayments—Mortgage Loans	627 908	570 249
Sales of Land and Buildings	14 458	..
Other	9 063	5 856
	1 665 891	1 913 847
Payments—		
Mortgage Loans to House Purchasers	1 084 012	1 219 180
Loan Redemption and Interest	284 597	372 813
Interest Subsidy	6 780	5 352
Administration Expenses	64 763	49 871
Other Costs	4 065	1 148
	1 444 217	1 648 364
Balance 30 June	221 674	265 483

Balance Sheets at 30 June 1977, and 30 June 1978, are summarised hereunder.

	1976-77		1977-78	
	\$	\$	\$	\$
Loan Liability—				
Treasurer of Victoria	300 000		298 079	
Housing Commission Death Benefit Fund ..	389 968		387 040	
State Savings Bank	1 569 433		1 550 527	
ANZ Banking Group	800 000		1 792 000	
		<u>3 059 401</u>	<u>4 027 646</u>	
Current Liabilities—				
Creditors	4 306		4 438	
Payments in Advance	117		646	
Accruals	673		792	
		<u>5 096</u>	<u>5 876</u>	
Reserves and Provisions—				
Maintenance Provision	400		500	
Accumulated Surplus	61 683		110 686	
		<u>62 083</u>	<u>111 186</u>	
		<u>3 126 580</u>	<u>4 144 708</u>	
Fixed Assets—				
Land and Buildings	143 726		154 417	
Motor Vehicles	4 179		4 179	
Office Furniture and Equipment	4 643		4 423	
		<u>152 548</u>	<u>163 019</u>	
Deferred Assets—				
First Mortgage Loans		2 720 702		3 657 927
Current Assets—				
Funds held in Treasury	121 674		165 483	
Sundry debtors and accruals	30 099		56 997	
Short term Investments	100 000		100 000	
Stock on hand	1 557		1 282	
		<u>253 330</u>	<u>323 762</u>	
		<u>3 126 580</u>	<u>4 144 708</u>	

LABOUR AND INDUSTRY

This Department functions under the authority of the *Labour and Industry Act* 1958 and is responsible for the supervision and regulation of factories, shops and other premises. Various Wages Boards, the Apprenticeship Commission, the Industrial Appeals Court and the Industrial Safety Advisory Council are administered within the Department. It is also responsible for policing the regulations relating to lifts and cranes, boilers and pressure vessels, and scaffolding. Moreover, it provides administrative services for the Ministry of Consumer Affairs.

Expenditure during the last two years from the Consolidated Fund is compared hereunder.

	1976-77	1977-78
	\$	\$
Vote—		
Labour and Industry—		
Salaries, etc.	4 708 127	5 000 694
General Expenses	782 342	889 202
Subsidies to Apprentices	408 000	462 999
Other	47 547	45 754
	5 946 016	6 398 649
Treasurer—Workers Compensation Insurance, Payroll Tax ..	267 140	356 727
Public Works—Maintenance and Rent of Buildings ..	401 067	419 855
	6 614 223	7 175 231
Works and Services Account—Metric Conversion	14 800	15 000
	6 629 023	7 190 231
Receipts during the corresponding two years were as follows:—		
	\$	\$
Registration, Inspection and Other Fees—Factories and Shops, Lifts and Cranes, Boilers, etc.	3 103 410	3 460 073
Other	54 600	161 495
	3 158 010	3 621 568
Net Cost to the Consolidated Fund was	3 471 013	3 568 663

Annual Advance

Audit reports in respect of the years 1974-76 brought under notice of the Treasury and the Department that the annual advance to the Department had not been reconciled since 15 January 1974. The Department has attempted a reconciliation, but at the date of preparation of this Report reconciliation had not been effected.

LANDS AND SURVEY

The Department of Crown Lands and Survey is responsible for the occupation of Crown Lands and the administration of various schemes of land settlement and financial assistance to farmers. Other functions include the eradication of vermin and noxious weeds and the control and co-ordination of survey and mapping throughout the State. The collections and expenditure of the Department are reviewed hereunder.

COLLECTIONS

Collections during the year amounted to \$9 749 032 compared with \$8 228 460 in the previous year. Details are as set out hereunder :—

	1976-77	1977-78
	\$	\$
Land Revenue—		
Fees for various licences and leases, etc.	4 836 869	4 959 747
Proceeds of sales of land	785 038	1 054 780
	<u>5 621 907</u>	<u>6 014 527</u>
Land Revenue for credit to the Mallee Land Account	99 246	82 872
Repayments of principal by settlers under the Closer Settlement Acts	73 095	70 358
Interest payments by settlers on Loan Liabilities under the Closer Settlement Acts	53 607	49 299
Repayments of principal—Other Advances	20 374	10 602
Interest on Other Advances	2 814	4 361
Repayments of principal—Land Development sales .. .. .	..	74 809
Licences to occupy water frontages—for credit to the Rivers and Streams Fund	157 739	148 660
Recoups on account of—the services of survey personnel;	748 356	925 138
—Vermin and Noxious weed services	473 489	1 099 573
Miscellaneous Receipts including rental Ballarat Guncotton Factory, admission to Buchan Caves, sales of Government and other property and rentals of departmental houses, etc.	380 681	281 012
Survey Fees, etc.	144 986	158 552
Premiums for credit to the Closer Settlement Insurance Fund	8 853	6 429
Moneys for specific purposes for credit to Treasury Trust Accounts	223 102	596 041
Collections on account of North West Mallee Water Rates and Wire Netting		
Cash Sales	2 667	2 863
Road Loading Charges—Improvement Purchase Leases	6 363	3 076
Receipts on account of Assurance Fund	2 845	2 537
Recoup on cost of Regional Employment Development Scheme	19 521	..
Botanic Gardens—Kiosk and Herbarium	188 815	218 323
	<u>8 228 460</u>	<u>9 749 032</u>

EXPENDITURE FROM THE CONSOLIDATED FUND

The amount provided from the Consolidated Fund to meet departmental administrative costs and expenses and other functional expenditure was \$24 477 000 compared with \$21 614 101 in the previous year. Details are :—

	1976-77	1977-78
	\$	\$
Vote—		
Crown Lands Administrative and Other Services	5 938 460	6 525 901
Vermin and Noxious Weeds	8 438 120	9 905 446
Survey	4 689 621	5 302 021
Botanic Gardens and National Herbarium	1 094 270	1 282 783
	<u>20 160 471</u>	<u>23 016 151</u>
Works and Services—		
Crown Lands Administration and Other Services	620 653	1 024 417
Vermin and Noxious Weeds	304 593	12 404
Survey	314 773	377 515
Botanic Gardens and National Herbarium	213 611	46 513
	<u>1 453 630</u>	<u>1 460 849</u>
	<u>21 614 101</u>	<u>24 477 000</u>

TRUST FUND EXPENDITURE

Disbursements by the Department from Treasury Trust Funds included—

- (i) \$89 053 from joint Commonwealth and Industry Research Funds, including Commonwealth Subsidy Vermin Control, \$29 863, Skeleton Weed Research, \$35 914, and Feral Cat Consultancy, \$22 416 ;
- (ii) \$28 685 in meeting claims and administrative expenses on account of the Closer Settlement Insurance Fund;
- (iii) \$396 963 expenditure on Special Youth Employment Training Program ; and
- (iv) \$87 517 expenditure from the Commonwealth Apprentices Employment Scheme.

CLOSER SETTLEMENT

The Revenue Account of the settlement scheme, being carried out under the provisions of the *Closer Settlement Act 1938*, disclosed a deficit for the year of \$2 055 673 and the accumulated deficit was, as a result, increased to \$139 860 559.

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

	1976-77		1977-78	
	\$	\$	\$	\$
<i>Expenditure—</i>				
Interest on loans	4 963 889		5 069 127	
Administrative costs	130 621		131 021	
	<u> </u>	5 094 510	<u> </u>	5 200 148
<i>Income—</i>				
Interest charged on outstanding liability				
of settlers	3 178 706		3 111 275	
Sundry items of income	32 579		33 200	
	<u> </u>	3 211 285	<u> </u>	3 144 475
Deficit .. .. .	..	<u>1 883 225</u>	..	<u>2 055 673</u>

Closer Settlement Insurance Fund

This Fund provides the finance in respect of contracts of insurance covering risks of fire, storm and tempest which must be made, in respect of buildings and improvements, by (i) Closer Settlement lessees, (ii) farmers who have received advances for improvements and (iii) purchasers under contracts of sale. Improvements on vacant land are also covered by the Fund.

The accounts of the Fund are kept on a cash basis. The balance in the Fund at 1 July 1977 was \$685 927. Premiums received during the year amounted to \$6 429. Expenditure consisted of Claims, \$17 930, and Administration Expenses, \$10 755. The balance in the Fund at 30 June 1978 was \$663 671.

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

- Attorney-General's Office ;
- Public Solicitor's Office ;
- Crown Solicitor's Office ;
- Courts ;
- Office of the Public Trustee ;
- Titles Office ; and
- Corporate Affairs Office.

EXPENDITURE FROM THE CONSOLIDATED FUND

Expenditure on the several activities of the Department for 1977-78 amounted to \$44 828 853. The necessary funds were provided principally from the votes of the Attorney-General and from special appropriations.

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

	1976-77		1977-78	
	\$	\$	\$	\$
Attorney-General's Office		2 124 855		2 349 583
Public Solicitor's Office		1 235 244		1 379 154
Crown Solicitor's Office		2 772 881		3 059 493
Courts—				
Administration	15 798 916		17 644 648	
Allowances to Witnesses	413 998		441 797	
Payments to Jurors	1 199 990		1 250 261	
Court Reporting	783 992		782 160	
Other Costs, including expenditure of a capital nature	4 374 104		4 731 869	
		<u>22 571 000</u>		<u>24 850 735</u>
Office of the Public Trustee		2 480 177		2 711 383
Titles Office		5 796 762		6 498 476
Corporate Affairs Office		3 191 440		3 693 610
Other		334 713		286 419
		<u>40 507 072</u>		<u>44 828 853</u>

RECEIPTS

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

Collections in other branches of the Department include fees due on account of registrations etc., jurors' fees and, to a lesser extent, receipts in the nature of recoups of costs. Major items of revenue for 1976-77 and 1977-78, with the exception of fees and commissions collected in the Office of the Public Trustee, were :—

	1976-77	1977-78
	\$	\$
Fees, Titles Office	14 725 861	15 049 407
Fees, Commissioner for Corporate Affairs	7 290 911	9 290 454
Fees, Registrar-General	732 289	792 936

Statements of account of the Public Trustee, together with comments on the year's transactions, are included in my Supplementary Report.

LOCAL GOVERNMENT

This Department, which was constituted under the provisions of the *Local Government Department Act 1958*, supervises the administration by municipalities of the *Local Government Act 1958* and related legislation, and is responsible for the oversight of government funds allocated to assist municipalities with certain construction works. It also administers State weights and measures legislation.

The Valuer-General's Office, the major function of which is to co-ordinate valuations made for councils and other rating authorities, is a branch of this Department.

EXPENDITURE FROM THE CONSOLIDATED FUND

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

	1976-77	1977-78
	\$	\$
Local Government—		
Salaries and Allowances	807 578	1 019 459
Overtime and Penalty Rates	11 708	10 876
Travelling (including Motor Vehicles)	37 531	50 479
Fees and Expenses—Boards and Committees	90 042	183 977
Other Administrative Expenses	163 917	215 253
Contribution to Operating Expenses of Metropolitan Fire Brigades Board	3 219 250	3 736 250
Subsidies to Municipalities	919 945	1 349 985
Litter Campaign .. .. .	..	28 412
Works and Services Account—Subsidies to Municipalities, etc.	3 431 724	4 595 674
Total Local Government	8 681 695	11 190 365
Valuer-General—		
Salaries and Allowances	1 486 369	1 666 291
Overtime and Penalty Rates	503	454
Travelling (including Motor Vehicles)	151 401	154 102
Fees and Expenses—Boards and Committees	1 620	2 027
Other Administrative Expenses	138 538	224 760
Total Valuer-General	1 778 431	2 047 634
Weights and Measures—		
Salaries and Allowances	502 623	474 105
Overtime and Penalty Rates	1 230	1 044
Travelling (including Motor Vehicles)	82 865	93 250
Materials and Equipment	3 794	2 647
Other Administrative Expenses	51 979	54 910
Works and Services Account—Equipment, etc.	72 681	21 006
Total Weights and Measures.. .. .	715 172	646 962
Total Local Government Department	11 175 298	13 884 961

RECEIPTS

The following statement shows departmental receipts in 1976-77 and 1977-78 :—

	1976-77	1977-78
	\$	\$
Charges for Departmental Services—		
Municipal Auditors Board Fees, etc.	102 060	119 263
Weights and Measures Branch	227 669	192 455
	329 729	311 718
Property Sales Information, etc.	175 084	132 563
Miscellaneous	35 476	28 886
	540 289	473 167

During 1977-78, the Commonwealth made available the sum of \$42 078 134 to Victorian municipalities, to be distributed on the basis of allocations as determined by the Victoria Grants Commission, a body established under the authority of the *Victoria Grants Commission Act 1976*. For further reference to these grants, see page 38 of this Report.

MINERALS AND ENERGY

The Department of Minerals and Energy was created, from 1 September 1977, by the amalgamation of the Mines Department and the Ministry of Fuel and Power.

A primary function of the Department is to investigate the State's geological structure and its gold, minerals, stone and groundwater resources and to authorise exploration for the development of those resources by the issue of leases, licences and permits. It provides technical services, information and financial assistance to the mining industry and geological information to the petroleum industry. It also regulates mining operations, particularly with respect to safety and health.

Another major function of the Department is to develop and co-ordinate energy policies for Victoria and to issue permits and licences for pipelines conveying crude oil, natural gas and petroleum products.

RECEIPTS

Details of departmental receipts for the past two years are—

	1976-77	1977-78
	\$	\$
Land Revenue—		
Royalties—Submerged Lands	46 605 509	69 454 054
Mining Leases, Rents, etc.	244 037	260 170
Extractive Industries, etc.	205 253	146 039
Other	57 585	59 447
	47 112 384	69 919 710
Boring and Crushing Fees	8 493	103 318
Explosives Licences and Fees	89 542	97 172
Sale of Government Property	13 386	18 061
Sundries	23 104	23 589
	47 246 909	70 161 850

Petroleum Royalties—Submerged Lands

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

The Act provides that royalty is payable at certain percentages of the value at the well-head of the petroleum recovered. Royalty paid by the two licensees in 1977-78 amounted to \$69 454 054 making a total of \$298 414 983 paid by them since the first royalty payment on petroleum in May 1969. Of that total amount, \$94 095 841 has been paid to the Commonwealth, in accordance with the provisions of the Act.

Negotiations had been in course since late 1968 between the two licensees, on the one hand, and the Minister for Mines, who is the Designated Authority in terms of the Act, on the other, in an endeavour to arrive at a basis for agreement on principles to be applied in the future for calculation of well-head value. However, during 1975, as a result of a failure to agree, the Minister notified the licensees of his intention to make a determination under the Act of the well-head value of petroleum. This notification was given in respect of the royalty period ending 30 August 1975.

Following this notification of the Minister's intention to make a determination, and in accordance with the Commonwealth-State agreement, the Mines Department, acting on behalf of the Designated Authority, initiated consultations with the Commonwealth in respect of a proposed royalty determination and royalty formula. The Designated Authority has indicated to the Commonwealth his response to the Commonwealth's views on the matter, but has deferred making a determination, because the Commonwealth requested such deferment until certain implications of a High Court judgment relating to the Commonwealth's *Seas and Submerged Lands Act 1973* have been clarified.

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

Pending the determination of the well-head value for royalty purposes, royalty payments are being made on an "on account" basis and will be subject to adjustment depending on the results of the determination review.

EXPENDITURE FROM THE CONSOLIDATED FUND

	1976-77	1977-78
	\$	\$
Special Appropriation—		
Royalty Payments to Commonwealth	14 863 549	21 943 771
	<hr/>	<hr/>
Vote—		
Administration—		
Salaries	3 011 100	3 573 425
Overtime and Penalty Rates	19 356	23 394
Travelling and Subsistence	116 415	125 662
Motor Vehicles—Purchase and Running Expenses	155 861	170 688
Other Administrative Expenses	330 618	448 973
	<hr/>	<hr/>
	3 633 350	4 342 142
	<hr/>	<hr/>
Miscellaneous—		
Maintenance, etc., State Batteries	7 269	7 865
Boring for Water, Coal and Other Minerals, etc.	700 000	881 964
Geological Surveys and Surveys etc. for Mineral Deposits	52 331	66 811
Laboratory Expenses	13 184	15 096
Covering Abandoned Shafts	18 425	19 466
Advances for Gold Mining .. .. .	..	4 000
Brown Coal Research .. .. .	..	525 511
Solar Energy Research .. .. .	..	20 137
Contribution—Coal Mine Workers' Pensions Fund	266 002	199 896
	<hr/>	<hr/>
	1 057 211	1 740 746
	<hr/>	<hr/>
Works and Services Account—		
Drilling Plant, etc.	628 510	805 123
	<hr/>	<hr/>
Total Expenditure	20 182 620	28 831 782
	<hr/>	<hr/>

Included in the departmental payments in 1977-78 is expenditure, assessed by the Department to be \$3 274 807, incurred in the investigation and measurement of underground water resources. In respect of this expenditure, and expenditure of a like nature by other Authorities, the State is eligible for a contribution by the Commonwealth in terms of the *National Water Resources (Financial Assistance) Act 1978*, and an amount of \$1 136 000 was received in August 1978.

PARLIAMENT

The costs of Parliament met by the Consolidated Fund for the year ended 30 June 1978, compared with the previous year, were as follows :—

	1976-77		1977-78	
	\$	\$	\$	\$
<i>Vote and Special Appropriations—</i>				
Members' Salaries and Allowances ..	3 879 107		4 409 343	
Contribution to Parliamentary Contributory Superannuation Fund ..	2 441 992		2 441 992	
Legislative Council	252 666		273 167	
Legislative Assembly	548 817		607 341	
House Committee	1 199 335		1 434 734	
Library	190 488		226 270	
Hansard and Debates	1 367 825		1 316 214	
Refreshment Rooms	228 000		239 475	
Parliamentary Committees—Members' Expenses	106 304		84 212	
	10 214 534		11 032 748	
 <i>Works and Services Account—</i>				
Renovations and Painting Parliament House		782 786		500 060
		10 997 320		11 532 808

MINISTRY FOR PLANNING

The Ministry was constituted under the *Ministry for Planning Act 1973* to be responsible for the administration of the Town and Country Planning and Development Areas Acts. Its function is to ensure that government planning policies are implemented by co-ordinating and assisting with the functions of the Town and Country Planning Board and other planning authorities in Victoria.

EXPENDITURE FROM THE CONSOLIDATED FUND

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

	1976-77	1977-78
	\$	\$
Ministry for Planning—		
Salaries and Allowances	413 344	521 297
Overtime and Penalty Rates	7 199	7 700
Travelling (including Motor Vehicles)	13 635	39 349
Historic Buildings Preservation Council—Fees	33 296	43 086
Interim Development Order Appeals Board, Minister's Delegates and Town Planning Appeals Tribunal—Fees	228 496	242 508
Regional Planning Authorities*	458 185	654 662
Other Administrative Expenses	91 246	172 207
Total Ministry for Planning	1 245 401	1 680 809
Town and Country Planning Board—		
Salaries and Allowances	1 474 619	1 697 730
Overtime and Penalty Rates	2 662	2 969
Travelling (including Motor Vehicles)	58 848	59 853
Other Administrative Expenses	218 498	265 864
Total Town and Country Planning Board	1 754 627	2 026 416
Total Planning	3 000 028	3 707 225

* In 1976-77, this item was shown in the Treasurer's Statement under the Town and Country Planning Vote.

RECEIPTS

Receipts for the year amounted to \$7 244, being fees and charges received by the Town and Country Planning Board.

PREMIER'S DEPARTMENT

The functions of the Department are administrative, regulatory, planning, developmental and educational in character and include co-ordinating the implementation of government policy. It acts as a channel of communication with other governments and is also responsible for the administration of, and for governmental contact with, the Victoria Promotion London Committee, the Office of the Agent-General in London and the Victorian Agency in Tokyo.

The various branches of the Premier's Department are as follows :—

Governor's Office and the Executive Council

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

	1976-77		1977-78	
	\$	\$	\$	\$
<i>Special Appropriations and Vote—</i>				
Governor and Governor's Office—salaries and allowances	435 552		513 364	
Clerk of the Executive Council—salaries and allowances	21 415		25 061	
General administration expenses	101 284		139 333	
Allowance to meet expenses for services in connection with Government House	56 000		62 000	
	614 251		739 758	
<i>Works and Services Account—</i>				
Government House renovations		112 871		260 593
		727 122		1 000 351

Premier's Office

A summary of receipts and payments in respect of the Consolidated Fund in connection with the Premier's Office for the year compared with the previous year is :—

	<i>Payments</i>			
	\$	\$	\$	\$
<i>Vote—</i>				
Salaries and allowances	2 779 578		3 336 397	
General administration expenses	969 934		988 277	
Expenses of entertainment for visitors, etc.	123 635		164 538	
Air travel—Members of Parliament and Ministers, etc.	120 943		120 019	
Werribee Park—Operating Expenses	92 196		282 978	
Erskine House, Lorne—Operating Expenses	211 003		279 920	
Equal Opportunity Board .. .. .	..		105 833	
State Artist	97 642		81 859	
Victoria Promotion	510 588		704 175	
Victorian Representation—Japan	174 283		260 977	
Victorian Garden State Committee	34 350		273 439	
Other Services	203 312		253 066	
	5 317 464		6 851 478	
<i>Works and Services—</i>				
Werribee Park	144 339		490 650	
Erskine House, Lorne	10 797		9 004	
Westernport Co-ordination Group	13 871		46 741	
Computer System Development	54 000		130 000	
Other .. .. .	..		14 089	
	223 007		690 484	
	5 540 471		7 541 962	
<i>Receipts</i>				
Werribee Park	14 512		103 904	
Erskine House, Lorne	204 474		296 627	
Community Services Bureau—Sales	19 613		42 690	
Other	6 544		14 500	
	245 143		457 721	
Net Cost	5 295 328		7 084 241	

Agent General's Office, London

The function of this Office is to act as the Victorian Government's representative in London, promoting the State, and handling the Government's day to day affairs and enquiries from intending British migrants.

Expenditure for the past two years is summarised as follows :—

	1976-77		1977-78	
	\$	\$	\$	\$
<i>Vote—</i>				
Salaries—Agent General and staff	257 956		279 302	
General administration expenses	136 102		103 437	
Agent General's allowance	15 300		15 300	
Other services	22 064		59 906	
	<u> </u>	431 422	<u> </u>	457 945
<i>Works and Services—</i>				
Agent General's flat in London		79 058		..
		<u> </u>		<u> </u>
		510 480		457 945
		<u> </u>		<u> </u>

Public Service Board

The Public Service Board is responsible for personnel administration of the Public Service, including organisation and recruitment, conditions of employment, training and staff development and the promotion of efficiency in the working of departments.

Expenditure from the Consolidated Fund during the last two years was :—

	1976-77	1977-78
	\$	\$
<i>Special Appropriations and Vote—</i>		
Salaries and allowances	2 356 339	2 681 755
General administration expenses	671 993	776 772
Training course fees and expenses	227 414	226 458
	<u> </u>	<u> </u>
	3 255 746	3 684 985
	<u> </u>	<u> </u>

PUBLIC SERVICE BOARD ELECTRONIC DATA PROCESSING SERVICE BUREAU

The Bureau operates on two computer sites and acts as a service bureau for Government Departments. These services are charged for on a set scale of fees.

The facilities provided are batch processing, on line processing, data entry and program and systems support.

The cost to the Consolidated Fund during the last two years is set out below :—

	1976-77		1977-78	
	\$	\$	\$	\$
<i>Payments—</i>				
<i>Vote—</i>				
Salaries and allowances	959 522		1 169 842	
General administration expenses	309 856		634 193	
	<u> </u>	1 269 378	<u> </u>	1 804 035
<i>Works and Services—</i>				
Purchase of Computer	3 932 427			..
E.D.P. Data Entry System	148 005			749 038
	<u> </u>	4 080 432		<u> </u>
		5 349 810		2 553 073
<i>Receipts—Fees for Services</i>		1 051 787		2 108 592
		<u> </u>		<u> </u>
Net Cost		4 298 023		444 481
		<u> </u>		<u> </u>

Promotions Appeal Board

This Board was established, under the *Public Service Act 1974*, to determine, in certain circumstances, the claims of Second and Third Division officers of the Public Service in respect to vacant positions.

The following is a summary of the cost to the Consolidated Fund of the Board during the last two years :—

	1976-77		1977-78	
	\$	\$	\$	\$
<i>Vote—</i>				
Salaries and overtime	81 307		88 169	
General administration expenses	13 351		17 578	
Members' fees	2 550		1 783	
		97 208		107 530

Office of the Auditor-General

The Auditor-General is responsible for the audit and inspection of the accounts of the Treasury and other government departments and also semi-governmental and other bodies as required by law.

Payments made from the Consolidated Fund in carrying out these responsibilities, and the fees received during the last two years were as follows :—

	1976-77	1977-78
	\$	\$
<i>Payments—</i>		
<i>Special Appropriations and Vote—</i>		
Salaries and allowances and payments for overtime	1 750 663	1 874 608
General administration expenses	227 183	299 488
	1 977 846	2 174 096
<i>Receipts—</i>		
Audit fees, etc.	405 107	459 183
Net cost	1 572 739	1 714 913

Office of the Ombudsman

The office of Commissioner for Administrative Investigations, called the Ombudsman, was established under the *Ombudsman Act 1973* principally to investigate complaints of any administrative action taken in any Government Department or Public Statutory Body to which the Act applies. Also, the *Ombudsman (Municipalities) Act 1976*, which came into operation on 1 January 1977, gave the Ombudsman jurisdiction to investigate complaints concerning administrative actions taken in municipalities, limited however, to administrative actions taken by municipal officers.

The cost to the Consolidated Fund during the last two years was :—

	1976-77	1977-78
	\$	\$
<i>Special Appropriations and Vote—</i>		
Salaries and allowances	297 054	340 022
General expenses	48 148	73 273
	345 202	413 295

PUBLIC WORKS

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

EXPENDITURE FROM THE CONSOLIDATED FUND

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

	1976-77	1977-78
	\$	\$
Public Works Administration—		
Vote—		
Salaries	14 889 097	16 449 452
Overtime and Penalty Rates	169 840	174 392
Travelling and Subsistence	522 789	543 699
Other Expenses	1 646 274	1 954 626
	<hr/>	<hr/>
Total Administrative Costs	17 228 000	19 122 169
Works and Buildings, Maintenance, Repairs etc.	4 970 889	5 829 013
Rents and Allowances	11 323 060	13 439 148
Other Services	2 978 199	4 222 502
	<hr/>	<hr/>
	36 500 148	42 612 832
Works and Services Account—Capital Items	14 168 435	12 305 743
	<hr/>	<hr/>
	50 668 583	54 918 575
	<hr/>	<hr/>
Ports and Harbors Administration—		
Vote—		
Salaries	1 781 699	1 907 703
Overtime and Penalty Rates	29 046	28 507
Travelling and Subsistence	108 891	98 999
Other Expenses	191 695	215 108
	<hr/>	<hr/>
Total Administrative Costs	2 111 331	2 250 317
Wharves and Jetties, Maintenance, Repairs etc.	753 938	854 292
Dredging and Blasting	2 411 888	2 564 217
Contribution to Portland Harbor Trust	1 220 000	1 000 000
Westernport—Operating Expenses	2 186 988	2 306 998
Other Services	521 897	528 986
	<hr/>	<hr/>
	9 206 042	9 504 810
Works and Services Account—Capital Items	4 320 637	3 683 414
	<hr/>	<hr/>
	13 526 679	13 188 224
	<hr/>	<hr/>
Total Expenditure	64 195 262	68 106 799
	<hr/>	<hr/>

Works financed from the Works and Services Account or from Trust or Special Funds and carried out under the supervision of the Department were subject to oncost charges, approved by the Treasury, to cover the departmental expenses involved in the design, supervision and administration of the works. The approved rate was 12 per cent. on works, 2 per cent. on purchase of property (including purchase of parts for the side-casting dredger) and 7 per cent. on works expenditure from the Commonwealth Child Migrant Education Trust Account. Recoups to the Consolidated Fund on the basis of these charges amounted to \$15 006 670. The comparable figure for 1976-77 was \$13 214 788.

Expenditure by the Department from the Works and Services Account amounted to \$180 842 660, and from Trust and Special Funds \$18 943 035, a total of \$199 785 695, compared with a total of \$183 529 389 from the same sources in the previous year. The major part of the expenditure in each year was incurred in the construction of buildings, the carrying out of works and the provision of services for various Departments.

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

	\$	\$
<i>Public Works—</i>		
Public Offices etc.	12 266 403	
Metric Conversion Costs.. .. .	39 340	
	<hr/>	12 305 743
<i>Ports and Harbors—</i>		
Foreshore Protection, Wharves and Jetties.. .. .	2 691 245	
Vessels for Dredging, Marine Plant	565 727	
Westernport Works etc.	163 958	
Plant	262 484	
	<hr/>	3 683 414
		<hr/>
		15 989 157

The major items of expenditure on Public Offices, etc., included in the figure of \$12 266 403 shown above, were :—

	\$
Renovations and furniture—295 Queen Street	347 922
Purchase of premises—601 Bourke Street (Instalment)	859 948
Adaptation of premises and P.A.B.X.—601 Bourke Street	765 637
Government Exhibition Centre—Showgrounds	370 614
Purchase of premises—Mildura Public Offices (Instalment)	583 375
Purchase of premises—Windsor Hotel (Balance)	3 716 367
Purchase of premises—237/253 Napier Street, Fitzroy	331 500
Adaptation of premises and P.A.B.X.—Myer House	1 210 626

Victorian Public Offices Corporation

The Victorian Public Offices Corporation is a statutory body which was constituted pursuant to the *Victorian Public Offices Corporation Act 1974* to provide such public offices as are from time to time required for the government of Victoria.

Fuller reference to the Corporation will be made in my Supplementary Report.

Public Works Stores Suspense Account

This Account was established under the provisions of Loan Act No. 5240 of 1947. An amount of \$50 000 was provided under that Act, and subsequent authorities increased the amount to \$790 000. The moneys in the Account are used :—

(a) for the purchase of stores, materials, fittings and equipment, and

(b) for defraying the cost of manufacturing articles for stock,

pending allocation to the respective appropriations or funds for the various public works or services in which they are used. The amounts when charged are credited to the Account.

At 30 June 1978, the position of this Account was :—

	\$
Cash funds available—held by Treasury	16 280
Value of stores on hand	264 231
Issues pending recoupment	507 321
	<hr/>
Funds made available by Treasury	787 832
Amount retained by Treasury to meet expenses etc.	2 168
	<hr/>
Amount authorised by legislation	790 000

Public Works Plant and Machinery Fund

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

The Fund is kept in two sections, namely, Renewals and Replacements, and Cost of Operating, Maintenance, etc., to each of which an appropriate allocation of the hire charges is made. Total credits to the Fund for the year were \$1 315 852 and total debits \$1 161 872. At 30 June 1978, the net balance of the Fund was \$896 134.

Agency Trust Funds

Expenditure on projects financed from Agency Funds amounted to \$6 915 487. Major works carried out by the Department as agent included the following projects :—

	\$
Purchase of Properties for Conservation Program—Mornington Peninsula ..	489 369
Canteen No. 1, 1 Macarthur Street	346 486
Glen Waverley Special School	409 763
Building of New Residences—National Parks	309 154
Construction of Newport Power Station	2 536 572
Olympic Park Administration Building	228 502

Electronic Data Processing Project—“ WREN ” System

In September 1975, a firm of consultants was engaged by the Department to undertake a feasibility study in relation to a computer-based system for project planning, tracking and accounting functions.

Following the completion of that study, a contract was entered into with the consultants for the programming, testing and implementation of the system, which is known as “ WREN ” (Works Recording Network). The target completion date is March 1979.

To 30 June 1978, \$611 473 had been expended on the project.

RAILWAYS

Under the provisions of the *Railways (Amendment) Act 1972*, which came into operation on 8 May 1973, the Victorian Railways Board was incorporated and became the successor of the Victorian Railways Commissioners.

RECEIPTS AND EXPENDITURE

Revenue receipts and expenditure on Railway operations for the year 1977-78, as recorded in the Treasurer's Accounts, are summarised hereunder. For comparative purposes, figures for the previous year are also shown :—

	1976-77	1977-78
	\$	\$
From Vote—		
Working Expenses.. .. .	*285 498 056	*†308 791 789
Accident Fund	3 095 126	3 658 267
	<hr/>	<hr/>
	288 593 182	312 450 056
From Special Appropriations—		
Pension Contributions	16 262 890	19 591 053
Debt Charges	17 370 574	21 439 993
Contribution to Renewals and Replacement Fund ..	400 000	400 000
Payment to Transport Fund	293 886	327 821
Board Salaries and Allowances	68 000	70 997
	<hr/>	<hr/>
	34 395 350	41 829 864
	<hr/>	<hr/>
Total Expenditure	322 988 532	354 279 920

* Includes advances for Agency Works subject to recoup—\$5 318 956 for 1976-77 and \$2 970 149 for 1977-78.

† Includes \$561 661 for contribution to Railway Renewals and Replacement Fund from sale of pipe credited to Working Expenses.

	1976-77	1977-78
	\$	\$
Ordinary Income	156 920 354	166 602 712
Appropriations of Former Years	661 958	607 354
Agency Works Recoups .. .. .	..	6 753 562
Payments by Treasury—		
For fare freight and transport concessions	6 254 414	6 543 383
For loss on Kerang-Koondrook line	74 011	38 798
	<hr/>	<hr/>
Total Receipts	163 910 737	180 545 809
	<hr/>	<hr/>
Deficit for Year	159 077 795	173 734 111

The deficit as shown in the Railway records in respect of 1977-78 was \$177 657 384 as against \$155 447 805 for 1976-77.

The differing net financial results, as recorded in the two accounting systems in respect of each of those years, arose from the following factors :—

- (i) Certain parts of the Department's accounts and the Treasury accounts for railway expenditure are kept on an accrual basis, but the Treasury accounts for income are mainly on a cash basis;
- (ii) To facilitate the closing of the Treasurer's accounts on 30 June, it was again arranged by the Treasury for the Railways Department to furnish estimates of Railways expenditure for the final accounting period up to 30 June, which were then charged to the relevant appropriations, Works and Services allocations and various Railway Trust Funds. Subsequent to 30 June, when the final expenditure charges and adjustments for each year became available, these figures were included in the Railways accounts as at 30 June, but not charged or incorporated into the Treasurer's accounts until the next year; and
- (iii) Collections by the Railways on 30 June, on account of Income and other accounts, were included in the Railways result at that date. Collections were remitted to the Treasury on 3 July 1978 and will, therefore, be included in the Treasurer's accounts for the year 1978-79. A similar procedure was adopted in respect of 1976-77.

Operating Expenses

Railway operating expenses, \$354 279 920, exceeded the Budget estimate of \$349 530 000 and, on a comparable basis, were in excess of the previous year by \$31 291 388.

Depreciation.—The depreciation for 1977–78 was assessed at \$13 902 592 but an amount of \$404 356 only was charged to operating expenses and credited to the Railway Renewals and Replacements Fund established under Section 115 of the *Railways Act* 1958. The amount of \$13 498 236 depreciation assessed but not charged against operating expenses brought the accumulated sum under-provided in the Railways accounts to \$217 650 409 at 30 June 1978.

The total amount credited in the year to the Railway Renewals and Replacements Fund from depreciation charges and sales of materials etc., was \$3 137 306 of which \$1 625 676 was expended during the year. The balance of \$1 511 630 at credit of the Fund at 30 June 1978, represents a recoup of the cost of pipes and other services from parties participating with Vicrail Pipelines Pty. Ltd. in a joint venture (see page 112 of this Report). These recouped costs had previously been met by the Victorian Railways Board from Vote and Works and Services Account.

To 30 June 1978 renewals and replacements to a total of \$134 664 191 have been provided from the Fund and from allocations of loan moneys for rehabilitation works.

Accrued Leave—Accrued leave decreased by 86 733 days in 1977–78 but the estimated liability increased from \$20 383 540 at 30 June 1977, to \$20 567 335 at 30 June 1978. There is no provision to meet the liability. Working Expenses of the year in which the payments are made bear the cost of the annual leave accrued in previous years.

Debt Charges

The Department is charged with interest, sinking fund payments and exchange only in respect of moneys borrowed by the State for railway purposes from and including 1 July 1960. The amount chargeable in the year was \$21 439 993.

Special Funds for Maintenance Expenditure

Expenditure by the Department during 1977–78 of funds amounting to \$422 207 and provided from the following sources has not been included in the Receipts and Expenditure statement :—

Metric Conversion Costs—Expenditure of \$25 000 was charged to the Public Works and Services Acts in connection with metric conversion costs.

Transport Projects—Expenditure of \$397 207 on transport planning and research projects has been charged to the Treasury Trust Accounts—Commonwealth Transport Planning and Research and Commonwealth Transport Planning and Research (Financial Assistance) 1977. These amounts represent the estimated portion of expenditure by the Department which will be eligible for Commonwealth financial assistance by way of non-repayable grants as provided by Commonwealth legislation, the *Transport (Planning and Research) Act* 1974 and the *Transport Planning and Research (Financial Assistance) Act* 1977.

The amounts actually recoverable from the Commonwealth in respect of expenditure will not be fully determined until audit certified financial statements in respect of the approved projects have been submitted by the Department to the Commonwealth.

Railway Income

Collections on account of railway income amounted to \$180 545 809 which was \$4 545 809 more than the Budget estimate and \$16 635 072 more than the figure for 1976–77. Collections for 1977–78 when compared with those for the previous year generally reflected the increase in passenger fares which applied from January, 1978 and the increases in freight and parcel rates and charges which applied from February, 1978.

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

	1976-77	1977-78
	\$	\$
Passengers	54 166 233	55 536 736
Parcels, etc.	6 699 791	6 648 949
Mails	627 997	544 647
Miscellaneous	103 870	105 700
Goods and livestock, etc.	89 156 624	95 294 864
Rents and general miscellaneous	3 965 552	5 863 374
Dining car and refreshment rooms services	6 890 540	7 371 101
Advertising	325 665	335 050
Bookstalls	1 575 526	1 586 777
Road motor services	91 673	82 498
Agency Works—Subject to Recoup .. .. .	..	3 235 165
	<hr/>	<hr/>
	163 603 471	176 604 861

Treasury recoups of \$74 011 in 1976–77 and \$38 798 in 1977–78, received in accordance with the *Kerang and Koondrook Tramway Act* 1951, are not included in the above earnings.

EXPENDITURE—WORKS AND SERVICES ACCOUNT

The following statement summarises expenditure under Transport Works and Services Acts :—

	1976-77	1977-78
	\$	\$
Way and Works	7 107 000*	10 750 000*
Rolling-stock, Equipment, etc.	10 353 000	7 990 000
Construction of New Lines, etc.	1 665 000	1 353 955
Urban Development Projects	21 215 000	20 320 020
	<hr/>	<hr/>
	40 340 000	40 413 975
	<hr/>	<hr/>

* Excludes expenditure on Agency Works subject to recoup.

Rail Tracks, Rolling Stock, etc.

Expenditure for 1977-78 was principally in connexion with projects to reconstruct bridges, and to provide additional rolling-stock.

Urban Development Projects

Items provided in the Works and Services Acts for Urban Development Projects include construction of new suburban stations, provision of additional tracks and new suburban trains. In respect of portion of this expenditure, the State of Victoria received \$7 050 000 in 1977-78 as Commonwealth financial assistance by way of non-repayable grants as provided by Commonwealth legislation, *States Grants (Urban Public Transport) Act 1974*.

The amounts actually recoverable from the Commonwealth in respect of expenditure will not be fully determined until audit certified financial statements in respect of the approved projects have been submitted by the Department to the Commonwealth.

Vicrail Pipelines Pty. Ltd.

The *Railways Act 1958* has been amended by the *Railways (Participation in Pipeline Operations) Act 1975*, the *Railways (Participation in Pipeline Operations Payments) Act 1976* and the *Railways (Participation in Pipelines) Act 1977*.

The above company was incorporated under the *Companies Act 1961* on 8 August 1977 as a proprietary company limited by shares with a nominal share capital of \$10 000 divided into 10 000 shares of \$1 each. The company has an issued capital of 1000 shares of \$1 each fully paid.

In accordance with the *Railways Act* and with the consent of the Treasurer the Railways Board subscribed for 999 shares and a further one share is being held by a staff member who has executed a Deed of Trust in favour of the Board. On 28 June 1978 the Board advanced the sum of \$1 295 755 to the Company at an interest rate of 14 per cent. for the first year. This loan has been secured by a Mortgage Debenture creating a floating charge over the assets of the company.

Vicrail Pipelines Pty. Ltd. is participating in a joint venture with several oil companies to construct, own and operate a petroleum products pipeline from Altona to Somerton. The company will be required to meet one-quarter share of the cost of the pipeline and will have the right of access to 25 per cent. of the pipeline through-put capacity.

The Board's expenditure of \$1 296 754 during 1977-78 in connection with this company has been met from the Works and Services Account.

STATEMENT OF BALANCES

An abridged statement of the balances in the Railway Accounts as at 30 June 1977 and 1978 is as under :—

	30.6.1977	30.6.1978
	\$	\$
Rolling-stock, Plant, etc., at cost less depreciation provided ..	693 104 241	717 867 859
Stores and Materials	10 733 862	7 971 113
Partly-manufactured Articles	2 375 596	2 060 876
Materials in Transit	949 969	..
Trading and Catering Services, Stock and Equipment less provision for losses	1 023 471	1 150 507
Discounts and Expenses on Loans	7 733 817	7 824 657
Deferred Renewals, Replacements, and Maintenance Works	1 050 000	1 050 000
Investments—Shares and Mortgage Debenture .. .. .	..	1 296 754
Funds at Treasury—		
Railway Accident and Fire Insurance Fund	200 000	200 000
Railway Agency Works Account *	164 311	571 863
Railways Stores Suspense Account *	288 162	777 174
Railways Repayment Account *	11 864	11 905
Railway Manufacturing and Trading and Catering Account * ..	33 159	209 304
Treasury Trust Fund *	10 216 761	11 646 795
Advances held by Agent-General	107 977	105 077
Trust Securities	4 436 101	4 215 289
Cash at Stations and in Transit	804 053	320 503
Cash Advances	1 021 104	1 758 084
Revenue Debtors	11 800 762	12 220 601
Sundry Debtors	8 058 717	2 580 785
Accumulated Loss.. .. .	821 950 052	1 000 029 643
	<u>1 576 063 979</u>	<u>1 773 868 789</u>
Loan Liability†	482 972 806	497 243 111
Funds for—		
Urban Development Projects	26 485 923	44 866 604
Uniform Railway Gauge	30 058 438	29 962 602
Level Crossings	10 888 613	10 888 613
Boom Barriers	636 737	654 332
Transport Fund	4 334 965	6 864 708
Other Special Purposes	13 892 240	13 892 240
Pipeline	949 969	..
Pipeline—Shares and Mortgage Debenture .. .. .	..	1 296 754
Asset Revaluation Reserve	40 145 000	23 906 929
National Debt Sinking Fund Reserve	100 351 475	107 308 921
Uniform Railway Gauge Reserve	1 541 561	1 637 398
Railway Accident and Fire Insurance Fund	200 000	200 000
Advances from the Public Account	1 541 108	1 082 994
Working Capital—Manufacturing and Trading	3 205 643	3 205 643
Sundry Creditors	16 621 266	15 713 578
Trust Securities	4 447 965	4 227 195
Consolidated Fund, etc.††	837 790 270	1 010 917 167
	<u>1 576 063 979</u>	<u>1 773 868 789</u>

* Including Cash in Transit

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

†† Includes Advances for Agency Works subject to recoup and items in transit at 30 June.

Accumulated Losses

Under the *Railways Act 1958*, the Board is required to prepare "an annual report of its proceedings and an account of all moneys received and expended during the preceding year."

The financial statements prepared and adopted by the Board do not include under the heading of "Funds Provided" a figure for accumulated losses \$1 000 029 643. However, reference to these funds provided from the Consolidated Fund over the years to finance annual deficits has been made by the Board in an explanatory note accompanying the financial statements.

The question as to whether accumulated losses for past years together with the deficit for the current year should form part of the published accounts, other than by way of note, has been discussed by audit with railways management. It has been agreed that the Railways will seek legal opinion to clarify legal requirements as to the disclosure of accumulated losses in the annual financial statements.

Further to the figures appearing in the abridged statement of balances, contributions by the Consolidated Fund to accumulated losses and the application of those funds within the railway accounts, are summarised below :—

Consolidated Fund—\$1 010 917 167

	\$
Contributions for Losses to 30 June 1937	38 949 674
Contributions for Losses from 1 July 1937 to 30 June 1977	790 631 730
Deficit 1977-78	173 734 111
Special Funds for Maintenance Expenditure to 30 June 1977	8 098 240
Funds for 1977-78	422 207
	<hr/>
	1 011 835 962
Less Net Adjustments in course 30 June—in Railways accounts not in Treasurer's	918 795
	<hr/>
	1 010 917 167

Accumulated Loss—\$1 000 029 643

Contributions from Consolidated Fund to meet annual deficits have been applied by the Railways as follows :—

	\$
Losses to 30 June 1937	40 390 243
Losses from 1 July 1937 to 30 June 1977	781 559 809
Deficit 1977-78	177 657 384
Special Funds for Maintenance Expenditure 1977-78	422 207
	<hr/>
	1 000 029 643

Railway Accident and Fire Insurance Fund

The Fund was preserved at the statutory limit of \$200 000 by appropriation from the Consolidated Fund of \$3 658 267 charged against Working Expenses. Expenditure from the Fund for the past two years was :—

	1976-77	1977-78
	\$	\$
Damages recovered by non-employees at law	79 575	89 980
Damages paid to non-employees without legal action	15 209	19 962
Compensation for injuries to employees	2 262 785	2 788 100
Compensation for goods lost or damaged	570 159	675 342
Compensation for losses by fires caused by railway operations	12 387	14 966
Losses by fire to railway property	155 011	69 917
	<hr/>	<hr/>
	3 095 126	3 658 267

Railway Charges in Suspense Account 1977-78

By determination of the Treasurer, made under authority of Section 8 of the *Public Account Act 1958*, a new trust account, Railway Charges in Suspense Account 1977-78, was established to operate during the period 1 July 1977 to 30 June 1978, at which date it was to be closed.

The Treasurer's determination specified the purposes to which the Suspense Account was to be applied. It was only to be used as an initial charging account for salaries and wages payments in 1977-78 which are legally chargeable in that financial year to Railway Annual or Special Appropriations, the Transport Works and Services Act or such other funds and accounts as the Treasurer may specify. All items were cleared from the Railway Charges in Suspense Account 1977-78 by 30 June 1978.

Total credits and debits to the Account during the year each amounted to \$270 866 525.

Railways Stores Suspense Account

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

The total allocation from the Consolidated Fund for the purpose of the Account amounted to \$9 000 000 as at 30 June 1978. The disposition of this amount was as follows :—

Railways Stores Suspense Account

	\$	\$
Stock Account	8 675 998	
Less—transfer from Stores Stock Equalisation Account to write down value of Stock	650 000	
	<hr/>	
Adjusted balance as at 30 June 1978		8 025 998
<i>Deduct—</i>		
Stores Stock Equalisation Account	704 885	<i>Cr.</i>
<i>Add—</i>		
Transfer to Stock Account	650 000	<i>Cr.</i> 54 885
	<hr/>	
Stock on hand		7 971 113
Less Creditors		86 902
		<hr/>
Stores Debtors		7 884 211
Advances to the Agent-General, London		233 538
		<hr/>
		8 222 826
Cash at Treasury—30 June 1978	280 060	
Cash in Transit.. .. .	497 114	777 174
	<hr/>	
		<hr/>
		9 000 000

The item, Stock on hand, \$7 971 113, represents stock financed from the Suspense Account pending issues for works or purposes, the expenditure on which is chargeable to Parliamentary Appropriations.

Within the framework of the authorised account for the purchase and issue of railway stores, the Department has created an account known as the "Stores Stock Equalisation Account" which had a credit balance of \$704 885 at 30 June 1978. This Account is used for writing off losses, writing down the recorded value of stores and for absorbing variations arising from the costing of articles manufactured in the departmental workshops. As shown above, \$650 000 from this Account was utilised as at 30 June 1978 to write down the value of stocks, leaving a net credit of \$54 885 as at that date. It is understood that, subsequent to 30 June 1978, the Departmental Stores Standardisation Committee was making arrangements to identify specific stock items involved so that adjustments in value to the individual stock items can be properly recorded in the master stock file.

Details of many of the transactions in this Account are not readily ascertainable but it has been possible to extract the following net figures from the Account :—

	\$
Losses on reduction of values of stores	278 087
Losses on sales of safety footwear	7 877
Sales of materials—losses	4 418
Amount charged to Working Expenses	290 382
Stores invoice adjustments to be absorbed	<i>Cr.</i> 54 885

Other Trust Accounts

Pursuant to the provisions of Section 8 of the *Public Account Act 1958*, the following additional Trust Accounts established by the Treasurer are operating within the Trust Fund at the State Treasury.

Railway Agency Works Account

The Account operated from 1 July 1976, and is credited with moneys received in advance by Railways from persons, bodies and authorities on whose behalf and at whose cost Railways carry out works. The account is to be debited with all costs incurred in carrying out such works.

There was a balance in the account of \$571 863 at 30 June 1978.

Railway Manufacturing and Trading and Catering Account

The Account operated from 1 July 1976, and the purpose of the Account is to record necessary transactions in respect of the manufacture of articles for stock in Railway workshops and the operations of the Trading and Catering Branch of the Railways.

The Account has been financed by Working Capital of \$3 205 643 provided under the Appropriation Act for 1975-76. A summary of balances held within this Account is as follows:—

	\$	\$
Manufacturing Account—		
Works in Progress		2 060 876
Catering Services—		
Stocks and Sundry Debtors	1 247 573	
Less—Sundry Creditors and Provision for Losses etc.	312 110	
	—————	935 463
Cash at Treasury—30 June 1978	3 871	
Cash in Transit.. .. .	205 433	
	—————	209 304
Working Capital Provided		3 205 643

Debtors—Revenue and Sundry

The totals for these items as shown in the balance-sheets for the last two years consist of:—

	1976-77 \$	1977-78 \$
Revenue	11 800 762	12 220 601
Agency Works (Vote and Works and Services Account)	5 762 077	1 301 349
Sales of general stores	486 055	233 538
Sundry sales and services	1 430 088	823 295
Sales of land	380 497	222 603
	—————	—————
	19 859 479	14 801 386

Transport Fund

Consequent upon the amendment of the *Ministry of Transport Act 1958* by the *Ministry of Transport (Transport Fund) Act 1974*, the Victorian Railways Board is required to pay to the Transport Fund “an amount equal to one-fifth of one per centum of the gross revenue of the Board paid to the Treasurer in respect of the financial year then last past”. The Departmental payment to the Fund in the year 1977-78 was \$327 821.

Expenditure from the Transport Fund is to be applied at the Minister's direction towards the cost of any project or undertaking or research project in relation to the improvement, development and better co-ordination of transport in Victoria.

The amount expended by the Department from the Fund for 1977-78 was \$2 529 743. This amount is included in the balance sheet as part of the total expenditure on rolling-stock etc.

Sundry Creditors

Items included in the totals for the last two years are:—

	1976-77 \$	1977-78 \$
Stores purchased for railways	2 616 056	86 902
Stores purchased for refreshment services	227 236	215 351
Salaries and wages accrued	6 963 132	8 043 457
Payroll deductions	3 253 695	3 603 457
Accounts for various services	1 277 356	1 241 278
Revenue rebates and refunds	193 442	190 469
Payments in advance for revenue services, agency works etc.	1 790 525	1 515 651
Cash accounts overdrawn	6 796	107 221
Due to Consolidated Fund	293 028	709 792
	—————	—————
	16 621 266	15 713 578

The item, “Salaries and wages accrued”, largely comprises pay accrued from 18 to 30 June 1978. A sum of \$10 010 335 was held in the Trust Account “Salaries and Wages in Suspense” at the State Treasury at 30 June 1978, towards those salaries and wages and payroll deductions.

SOCIAL WELFARE

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

	Adminis- tration, Research, Statistics	Regional Services	Family Welfare	Youth Welfare	Correctional Services	Training, Probation, Parole	1977-78 Total	1976-77 Total
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Vote—</i>								
Salaries and payments in the nature of salary ..	2 532 537	3 940 218	7 104 459	5 832 037	11 794 903	1 241 556	32 445 710	28 739 723
General expenses, office expenses, travelling, fuel, light, power, etc. ..	344 844	452 303	346 556	418 151	695 818	156 752	2 414 424	2 169 989
Stores, provisions, plant, equipment ..	..	..	917 880	802 857	1 050 643	66 468	2 837 848	2 637 670
Assistance to children, deserted wives and mothers ..	..	9 590 178	..	..	..	..	9 590 178	7 193 515
Grants and subsidies to and expenses in connection with State wards, youth trainees, children in foster homes, institutions and hostels ..	..	770 113	8 791 178	1 241 008	..	..	10 802 299	9 566 579
Grants etc., to welfare organisations ..	2 961 308	289 669	11 979	..	..	..	3 262 956	1 235 036
Fare concessions for pensioners ..	5 417 516	..	..	..	..	..	5 417 516	5 175 290
Rate concessions for pensioners ..	16 665 596	..	..	..	..	..	16 665 596	12 268 991
Materials for manufacture or training ..	..	26 740	..	..	527 116	..	553 856	484 410
Allowances to trainees and working prisoners ..	..	..	..	69 782	308 438	..	378 220	365 877
Cadetships and bursaries ..	60 861	..	..	..	..	22 650	83 511	145 615
Workers Compensation Insurance ..	32 389	44 199	103 560	81 944	157 339	18 526	437 957	140 762
Public Works Department maintenance and rents ..	481 996	136 453	1 833	6 424	45 068	11 396	683 170	553 441
Payroll Tax ..	82 388	128 758	231 213	189 808	383 948	40 138	1 056 253	825 288
Other ..	74 427	14 679	12 965	5 748	8 335	130 889	247 043	184 381
	28 653 862	15 393 310	17 521 623	8 647 759	14 971 608	1 688 375	86 876 537	71 686 567
<i>Works and Services Account—</i>								
Buildings, equipment, capital grants, etc. ..	384 511	9 822	1 085 509	1 192 615	2 545 930	496 519	5 714 906	4 765 413
	29 038 373	15 403 132	18 607 132	9 840 374	17 517 538	2 184 894	92 591 443	76 451 980

Significant variations in the costs of welfare services during 1977-78, other than salaries, were—

Grants to Welfare Organisations

The increase of \$2 027 920 by way of grants to welfare organisations during the year was due mainly to the introduction of the Family and Community Services Program.

Assistance to Children, Deserted Wives and Mothers

The increase of \$2 396 663 during the year was due to an increase in the number of recipients and an increase in the level of assistance payments.

There were 133 instances of overpayments of assistance, totalling \$55 327, reported during the year.

Rate Concessions for Pensioners

The cost of these concessions increased by \$4 396 605 during the year. This was due mainly to the general rise in municipal rates which resulted in more assistance being extended by the Government to eligible pensioners towards the payment of their municipal, water and sewerage rates.

Buildings, Equipment, Capital Grants etc.

Principal items of expenditure incurred during 1977-78 were as follows :—

	\$
Grants to voluntary agencies towards the purchase of land and buildings etc. for the provision of youth hostels supervised by the Department ..	818 963
Construction of a high security unit at Pentridge	456 733
Conversion of "J" Division at Pentridge	127 994
Adaptation costs for the reflectorised number plate industry at Pentridge ..	196 034
Remodelling of the Administrative Block at Pentridge	140 777
Alteration to dormitories at Malmsbury Youth Training Centre ..	251 062
Purchase of property at Springvale for Southern Youth Welfare Centre ..	172 500
Security proposals at Pentridge	131 989
Fire reinstatement costs at Beechworth Prison	101 892
Purchase and erection of Family Group Homes	229 742
Instalment towards the purchase of property at Watsonia for the Institute of Social Welfare	352 465

Trust Fund Expenditure

The Department expended funds from several Treasury Trust Funds during 1977-78, the principal items being as follows :—

	\$
Parole Board Prisoners' Earnings	39 068
Aboriginal Advancement (Commonwealth)	181 410
Commonwealth Community Health Program	147 037
Commonwealth Grant—Family Support Services	321 373
Commonwealth Grant—Pre-school Child Education Care	117 104
Emergency Relief Welfare Grants.. .. .	100 000
Special Youth Employment Training Program	69 763

Revenue

Revenue of the Department during the past two years was :—

	1976-77	1977-78
	\$	\$
Youth and Family Welfare Divisions—		
Maintenance Collections	81 138	25 254
Family Assistance payments	150 116	231 590
Quarters and Rations	138 116	171 052
Sale of farm produce	54 446	67 920
Correctional Services Division—		
Proceeds of manufactured goods	465 785	361 302
Maintenance of deportees	5 727	3 459
Quarters and Rations	1 277	1 582
Miscellaneous	305 329	144 389
Commonwealth Recoup—Deserted Wives, etc.	2 824 067	4 517 005
	4 026 001	5 523 553

The decrease in proceeds of manufactured goods was mainly due to the non-operation of the bakery at Pentridge during 1977-78.

STATE DEVELOPMENT, DECENTRALIZATION AND TOURISM

The *State Development Decentralization and Tourism Act 1978*, proclaimed to operate from 23 May 1978, repealed the *State Development Act 1970* and established the Department of State Development Decentralization and Tourism for the purpose of encouraging and promoting the development of Victoria. In particular, the Minister is responsible for—

- (a) sponsoring and promoting the full and balanced development of the State ;
- (b) promoting the development of secondary and tertiary industries throughout the State with particular regard to industries outside the metropolis of Melbourne ;
- (c) promoting the development of the export capacity of industry throughout the State ;
- (d) establishing liaison with statutory authorities to provide the utility services necessary to meet the requirements of industry and commerce having particular regard to industry and commerce outside the metropolis of Melbourne ;
- (e) developing and promoting the tourist industry in Victoria ;
- (f) establishing and improving tourist facilities in Victoria ;
- (g) assisting and co-ordinating the activities of persons and organisations interested in the development of the tourist industry in Victoria ; and
- (h) promoting publicity and research necessary for the carrying out of any of the above.

For purposes of administration, the Ministry of Immigration and Ethnic Affairs also comes under the control of this Department.

The overall expenditure of the Department from the Consolidated Fund for the year was \$28 957 372 compared with \$24 185 547 in 1976-77, an increase of \$4 771 825. The major items of expenditure and the comparable figures for the previous year were:—

	1976-77	1977-78
	\$	\$
<i>State Development (Central Administration)—</i>		
Salaries and payments in the nature of salary	533 179	519 026
General Expenses (including Workers Compensation Insurance and Payroll Tax)	365 340	295 312
Tourist Fund	2 389 277	2 797 862
Historical Projects Fund	787 459	575 886
Geelong Regional Commission .. .. .	..	455 000
Albury-Wodonga Development Corporation—Contribution towards administrative expenses	291 700	300 000
City of Sale—Grant for Oil and Gas Display Centre	39 472	..
Melbourne to Hobart West Coaster Yacht Race Committee	5 000	32 500
Miscellaneous Grants and Contributions	13 393	14 608
Small Business Development Corporation—Fees and Expenses	200 000	260 000
<i>Immigration—</i>		
Salaries and payments in the nature of salary	179 963	284 577
General Expenses (including Rent, Workers Compensation Insurance and Payroll Tax)	123 534	168 047
Ethnic Groups—Grants	49 399	99 748
Advisory Councils—Expenses .. .. .	..	6 897
<i>Industrial Development—</i>		
Salaries and payments in the nature of salary	862 684	952 645
General Expenses (including Workers Compensation Insurance and Payroll Tax)	123 805	157 622
Development Committees	38 000	39 675
Industrial Development Fund—Contribution	2 062 000	2 192 400
Incentive payments to approved Decentralized Secondary Industries	15 059 966	18 657 071
Industrial Design Council	25 000	40 000
Transport Concessions to approved Decentralized Secondary Industries—Payment to Railways Department	1 035 344	1 100 000

Pursuant to the provisions of the *Decentralized Industry Incentive Payments Act 1972*, the Minister may make incentive payments to certain employers who are carrying on a manufacturing or processing industry at a decentralized or a special establishment, as defined in the Act. The amount charged to Vote in 1977-78 in respect of incentive payments to approved decentralized secondary industries, \$18 657 071, includes payroll tax rebates \$18 476 195, land tax rebates, \$93 611, and \$87 265 on account of refunds of licence fees for commercial goods vehicles.

A sum of \$260 000 was provided from the Consolidated Fund to finance the operations for 1977-78 of the Small Business Development Corporation. This Corporation was established under the *Small Business Development Corporation Act 1976* for the purpose of encouraging and assisting small business throughout Victoria.

Immigration and Ethnic Affairs

The *Ministry of Immigration and Ethnic Affairs Act 1976* provides for the appointment of a Director of Immigration who, subject to the general direction of the Minister, is responsible for promoting and facilitating the settlement of migrants in Victoria, for encouraging the establishment of ethnic groups and, generally, for promoting the post-migration after-care and well-being of migrants.

The net cost to the Consolidated Fund for the year in respect of these activities was \$559 269, compared with \$352 896 in 1976-77. The higher cost was due mainly to increased expenditure on salaries and allowances and in the provision of grants to ethnic groups.

Development Fund

The Development Fund (previously known as the Industrial Development Fund) was established under the *State Development Decentralization and Tourism Act 1978* for the purpose of financing the carrying out of the objects set out in the Act, other than those in respect of tourism. In particular the moneys to the credit of the Fund shall be used to provide incentives to users of the port of Portland and to assist in the establishment, continuance and expansion of approved business undertakings.

A statement of credits to and disbursements from the Fund in the last two financial years is set out hereunder :—

<i>Credits—</i>		1977-78
1976-77		\$
\$		
501	Balance, 1 July	36 059
2 062 000	Contribution from Consolidated Fund—Vote	2 192 400
2 062 501		2 228 459
	<i>Less Disbursements—</i>	\$
177 110	Power and Light Subsidies	150 365
282 569	Freight Subsidies	317 533
898 039	Removal of Plant, Machinery, Furniture, etc.	842 451
305 314	Loans to Approved Decentralised Industries—	
	State Electricity Commission, Self Help Scheme	310 867
141 275	Employment Incentives	272 700
8 000	Development Committees	43 818
43 198	Portland Wool Shipping Subsidies	666
77 259	Portland Wool Brokers—Rebates	47 835
46 940	Road and Drainage Works .. .. .	..
46 309	Miscellaneous Grants and Subsidies	34 012
429	Trade Promotion	6 119
2 026 442		2 026 366
36 059	Balance, 30 June	202 093

Of the total amount advanced by way of loan from the Fund, a total of \$1 015 338 was still to be repaid at 30 June. Arrears of instalments of principal and interest at that date amounted to \$55 358 and \$33 191 respectively.

Tourism

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

Credits to the Fund include a statutory levy on the Country Roads Board Fund, an appropriation from the Consolidated Fund under the vote for State Development, a contribution from the Works and Services Account, commissions received from tourist bureau operations and fees and fines under the *Motor Boating Act 1958*.

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

1976-77		1977-78	
\$	Receipts	\$	\$
191 959	Balance 1 July .. .. .	..	643 859
	Contributions—		
1 016 537	From—Country Roads Board Fund	1 216 027	
	Consolidated Fund—		
2 394 477	State Development Vote	2 803 062	
		4 019 089	
382 500	Works and Services Account	319 615	
4 278	Municipalities—Motor Boating Facilities .. .. .	..
		<u> </u>	4 338 704
	Commission, etc. received from Tourist Bureaux operations—		
125 155	Rail	95 029	
434 498	Other	473 076	
		<u> </u>	568 105
1 015 809	Motor Boat Registration Fees and Fines (Net)	1 073 186	
414 243	Less Costs and Expenses of Collection and Administration	491 195	
		<u> </u>	581 991
601 566			
20 636	Interest on Loans to certain Bodies .. .. .	..	43 275
33 670	Loan Repayments .. .. .	..	49 695
	Recoup of Costs—		
82 981	Metropolitan Transport Information Centre	83 584	
134 936	Railways Department	133 612	
		<u> </u>	217 196
19 302	Sale of Premises Victorian Government Tourist Bureau, Adelaide .. .. .	..	..
3 710	Special Commonwealth Grants .. .. .	..	30 000
		<u> </u>	<u> </u>
5 446 205			6 472 825
			<u> </u>
	<i>Payments</i>		
363 798	Developmental and maintenance works .. .. .	..	587 648
219 479	Special grants to approved Bodies* .. .. .	..	573 412
204 537	Grants to Tourist Authorities .. .. .	..	286 690
	Publicity (net)—		
204 293	General (excluding Tourist Bureaux advertising, etc.)	165 890	
139 916	Regional	165 095	
..	“Garden State”	109 515	
		<u> </u>	440 500
256 000	Loans to certain Bodies* .. .. .	..	294 000
475 337	Provision of motor boating facilities .. .. .	..	644 608
	Administrative and other expenses—		
443 647	Head Office	648 116	
2 484 401	Tourist Bureaux	2 269 731	
		<u> </u>	2 917 847
10 938	Consolidated Fund—Loan Repayment .. .. .	..	..
	Balance at the close of the year—		
406 620	General	548 201	
237 239	Motor Boating	179 919	
		<u> </u>	728 120
5 446 205	Balance 30 June		<u>6 472 825</u>

*Details of these Grants and Loans are shown in Appendix A-2 to this Report.

In addition to the balance of \$728 120 held at credit of the Fund at 30 June 1978, unexpended advances to the State Rivers and Water Supply Commission, the Forests Commission, and the Public Works Department for works amounted to \$34 718, \$126 316 and \$53 968 respectively. Of these sums, \$103 757 was in respect of motor boating.

Motor Boating

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

1976-77		1977-78
\$		\$ \$
110 063	Credit at 1 July (held in Tourist Fund)	237 239
	<i>Add—Receipts—</i>	
973 856	Registration Fees (net)	1 034 592
41 953	Fines	38 594
4 278	Contributions by Municipalities—Motor boating facilities ..	..
2 464	Loan Instalments—Redemption	2 837
2 205	Interest	2 460
1 024 756		1 078 483
1 134 819		1 315 722
	<i>Less—Expenditure—</i>	
475 337	Provision of motor boating facilities and services	644 608
8 000	Loan to Shire .. .. .	..
	Cost of Administration—	\$
148 118	Transport Regulation Board	172 637
245 478	Chief Secretary's Department	290 554
20 647	Purchase of motor boats and equipment (net)	28 004
414 243		491 195
897 580		1 135 803
237 239	Credit at 30 June (held in Tourist Fund)	179 919

Tourist Bureaux

Under the authority contained in the *State Development Act* 1970 the Department operated and administered the five Victorian Government Tourist Bureaux in Victoria and those located in Adelaide, Sydney and Brisbane. Following the repeal of that legislation on 23 May 1978, although there was no specific power in the *State Development Decentralization and Tourism Act* 1978 to operate tourist bureaux, the Department continued tourist bureau operations, under the general powers of the Minister, pursuant to Section 7 of the latter Act. From 1 July 1978, the Victorian Government Travel Authority commenced operations under the powers contained in the *Victorian Government Travel Authority Act* 1977.

The net cost of operating the Bureaux for the year was \$1 484 431 compared with \$1 687 529 for the previous year. The cost of salaries and other administrative expenses, rents, maintenance and items of a capital nature was \$2 269 732 against which the Bureaux earned commission and other income to a total of \$568 105 and received recoups of \$133 612 from the Railways Department and \$83 584 in respect of the operations of the Metropolitan Transport Information Centre.

In 1977-78, a total of \$8 161 560 was remitted to the Treasury in respect of cash collections from all sources. This amount included \$7 649 706 in respect of tourist bureau business, of which \$1 735 181 was credited to Railway Income and \$5 914 525 to the Tourist Bureaux Trust Account. Collections in the previous year totalled \$7 764 601.

MINISTRY OF TRANSPORT

The Ministry of Transport was established under the provisions of the *Ministry of Transport Act 1958*. The general objectives of the Ministry are to secure the improvement, development and better co-ordination of railway, tramway and road transport in Victoria.

The *Ministry of Transport (Amendment) Act 1976* provided the Ministry with specific powers which include :—

- (a) buying, selling, leasing or hiring vehicles or other equipment or lending or otherwise advancing money to public or private bodies to assist such bodies to provide, improve or co-ordinate transport services in Victoria ; and
- (b) assisting public or private bodies to construct or improve transport facilities in Victoria, and in relation thereto providing any services necessary for or ancillary to such facilities.

In pursuance of these objectives the Ministry incurred the following expenditure for the years 1976-77 and 1977-78.

From the Consolidated Fund—

Vote—	1976-77	1977-78
	\$	\$
Salaries and Payments in the nature of Salary	252 401	289 110
General Expenses	58 644	49 298
Payments in respect of Passenger Transport—		
Tramways	27 331 018	28 041 000
Private Bus Services	5 588 982	7 848 286
To Transport Fund—Repayment of amounts received in respect of loans to private bus operators	99 688*	..
Freight Subsidy—Railways	1 304 238	1 400 000
Other Services	14 270	2 995
	34 649 241	37 630 689
Works and Services Account—		
Unsecured loans to Private Bus Operators	1 095 350	646 526
Total	35 744 591	38 277 215

* Refer Ministry of Transport (Amendment) Act 1976.

At 30 June 1978, amounts totalling \$2 400 799 had been advanced to private bus operators from Works and Services Account. All of these advances were unsecured. Repayments of principal have amounted to \$253 107. There were no arrears of instalments.

Advances to private bus operators were also made from the Transport Fund (for reference, see page 125).

Transport Fund

This Fund was established pursuant to the *Ministry of Transport (Transport Fund) Act 1974*, which provides that moneys from the following sources are payable into the Fund as soon as practicable after 1 July in each year :—

- (a) From the Consolidated Fund—an amount equal to one-fifth of 1 per cent. of the gross revenue of the Victorian Railways Board credited to the Consolidated Fund in the last preceding financial year.
- (b) From the Melbourne and Metropolitan Tramways Board—an amount equal to one-quarter of 1 per cent. of the gross revenue of the Board in respect of the last preceding financial year, excluding any advances from the Consolidated Fund to cover or reduce any cash deficiency of the Board.
- (c) From the Transport Regulation Board—an amount equal to 10 per cent. of the total fees, including fees for licences, paid into the Transport Regulation Fund pursuant to the *Transport Regulation Act 1958* in respect of the last preceding financial year.
- (d) Moneys received by way of additional registration fees under Section 8 of the *Motor Car Act 1958*, less costs of collection.

The *Ministry of Transport Act* 1958 provides for the Fund to be credited also with moneys received by the Ministry of Transport by way of grants from the Commonwealth, the sale of publications, principal and interest payments on account of loans to private bus operators, payments for services rendered and, generally, any moneys received by way of reimbursement, recoupment or return.

Moneys to the credit of the Fund may be applied towards the improvement, development and better co-ordination of transport in Victoria.

In addition, the *Ministry of Transport (Amendment) Act* 1976 specifically authorises the application of moneys from the Fund for the following purposes :—

- (a) Loans to licencees under the *Transport Regulation Act* 1958 on such terms and conditions as the Minister thinks fit.
- (b) Purchase of vehicles, equipment and facilities used in connection with transport services.
- (c) Sale, lease, hire, loan or other disposal of any vehicles or equipment purchased upon such terms and conditions as the Minister sees fit.

By a further amendment to the *Ministry of Transport Act* 1958—the *Ministry of Transport (Passenger Services) Act* 1978—the Minister of Transport may, from time to time, make determinations of policy in relation to fixed route passenger transport services. In addition, the legislation provides for the constitution of a Metropolitan Transit Council and the Minister may enter into an agreement or arrangement with respect to the provision of a public motor omnibus service. Payments and loans in connection with such agreements or schemes may be applied from the Transport Fund. There was no expenditure for 1977–78 in connection with any agreements or schemes.

Transactions of the Fund for the years 1976-77 and 1977-78 are set out below :—

Receipts

	1976-77	1977-78
	\$	\$
Balance, 1 July	4 742 927	5 592 248
Consolidated Fund—Special Appropriation Railways	293 886	327 821
Melbourne and Metropolitan Tramways Board	79 294	82 369
Transport Regulation Board	579 737	680 908
Motor Registration Branch—Additional Fees	6 671 964	7 733 777
Bus Operators' Loans—		
Interest	67 445	30 108
Principal Repayment	201 455	140 948
Sale of Government Publications	16 778	7 740
	<u>12 653 486</u>	<u>14 595 919</u>

Payments

	1976-77		1977-78	
	\$	\$	\$	\$
Ministry of Transport—				
Passenger Interchange	289 075		321 497	
Salaries	280 274		318 108	
Planning and Research	412 772		694 048	
Private Bus Operators' Loans	103 231		267 172	
Consultative Committees	27 546		17 747	
Transport Information	136 898		127 630	
Grade Separations		1 249 796	51 500	1 797 702
Victorian Railways Board		1 538 810		2 707 582
Country Roads Board		4 272 632		3 763 492
		<u>7 061 238</u>		<u>8 268 776</u>
Balance, 30 June, held at Treasury		5 592 248		6 327 143

Loans from the Transport Fund have been made as follows :—

	\$
Unsecured loans under Government Concessional Loan Scheme	1 294 835
Unsecured loans for dial-a-bus services	45 900
Secured loans for buses purchased following closure of poorly-patronised country passenger rail services	259 190*
	<u>1 599 925</u>

*Secured by chattel mortgages and a debenture deed.

At 30 June 1978, of the amount of \$1 599 925 which bus operators had received from the Transport Fund, \$342 403 had been repaid. There were no instalments in arrears. Advances to private bus operators were also made from the Works and Services Account. (For reference, see page 123).

Funds from Commonwealth Sources

Commonwealth financial assistance for transport projects is being provided by way of non-repayable grants under the Commonwealth's *Transport (Planning and Research) Act 1974*, *Transport Planning and Research (Financial Assistance) Act 1977* and the *States Grants (Urban Public Transport) Act 1974*.

The amounts actually recoverable from the Commonwealth in respect of expenditure on approved projects will not be fully determined until audit certified statements have been submitted by the Ministry to the Commonwealth.

Expenditure by the Ministry charged to the Commonwealth Transport Planning and Research Trust Account in 1977-78 was \$178 751 compared with \$490 678 in 1976-77. Expenditure charged to the Commonwealth Transport Planning and Research (Financial Assistance) 1977 Trust Account during 1977-78 was \$314 834.

There was no expenditure charged by the Ministry during 1977-78 to the Treasury Trust Fund—State Grants (Urban Public Transport), compared with expenditure totalling \$3 134 charged in 1976-77.

TRANSPORT REGULATION BOARD

The functions of the Board are to improve and co-ordinate transport and, for these purposes, it has, pursuant to the provisions of the *Transport Regulation Act 1958*, and Part I. of the *Commercial Goods Vehicles Act 1958*, jurisdiction over all commercial goods and passenger vehicles operating within the State. Fees (other than road charges) and fines under those Acts and fees under the Motor Car Act for the registration of certain omnibuses are paid into the Transport Regulation Fund. Costs of administration and other authorised charges are met therefrom. The balance in the Fund at 30 June 1978 was \$1 127 626.

TRANSPORT REGULATION FUND

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

1976-77		1977-78	
\$		\$	\$
	<i>Receipts</i>		
1 328 926	Balance, 1 July		1 447 261
5 462 434	Licence Fees and Additional Fees on Licences	5 617 515	
288 308	Licence Transfer Fees	256 861	
999 456	Permits—Goods and Passengers	1 091 826	
57 117	Drivers' Certificates	58 607	
1 768	Metropolitan Omnibus Registration Fees	2 327	
368 313	Fines	409 810	
62 213	Miscellaneous Receipts	90 627	
..	Sale of Property	36 600	
		7 564 173	
8 568 535			9 011 434
	<i>Payments</i>		
5 838 553	Salaries and Overtime	6 347 249	
471 005	Administrative Expenses	525 392	
213 528	Miscellaneous Expenses	267 641	
279 429	Government Proportion of Superannuation Pensions	407 020	
89 125	Duty Stamps and Prosecution Costs	102 097	
181 771	Replacement and Maintenance of Cars	158 094	
140 684	Maintenance Expenses	152 845	
579 737	Transport Fund	680 908	
83 489	Capital Expenditure	13 270	
		8 654 516	
7 877 321	<i>Less—Recoup—</i>	\$	
	<i>Costs of Collection—</i>		
148 118	Motor Boat Registrations	172 637	
607 929	Road Charges (Commercial Goods Vehicles Act)	598 071	
		770 708	
7 121 274			7 883 808
1 447 261	Balance, 30 June		1 127 626

Total fees collected under the provisions of the *Transport Regulation Act 1958* and Part I. of the *Commercial Goods Vehicles Act 1958* were \$7 024 809, an increase of \$217 494 when compared with the previous year.

The *Ministry of Transport (Transport Fund) Act 1974* requires the Board to pay into the Transport Fund ten per cent. of the total fees (including fees relating to licences) paid into the Transport Regulation Fund during the preceding financial year. An amount of \$680 908 was paid into the Transport Fund during 1977-78.

Road Charges—Part II. of the *Commercial Goods Vehicles Act 1958* requires the owners of commercial goods vehicles with a load capacity in excess of 4.1 tonnes to pay to the Board specified road charges by way of compensation for wear and tear caused by such vehicles to public highways and directs that the moneys received are to be paid into the Country Roads Board Fund to the credit of the Roads Maintenance Account. The amount so paid in 1977-78 was \$9 819 473 compared with \$9 967 856 in the previous year.

Motor Boat Registration Fees.—The *Motor Boating Act* 1961 provides for the registration of motor boats by the Board and for the payment of prescribed registration fees. The Act also provides that these fees are to be credited to the Tourist Fund and that the costs of collection and administration are to be recouped from that Fund.

The fees collected by the Board during 1977–78 amounted to \$1 036 063, compared with \$974 853 in 1976–77. The costs of collection and administration recouped were \$172 637, compared with \$148 118 in 1976–77.

TREASURY DEPARTMENT

The Treasury, as the central accounting office of the State, is responsible for the administration and control of the State's finances. These responsibilities include the supervision of the accounts of each Department, which are considered as subsidiary to the relevant record in the Treasury, and the preparation of the Treasurer's Annual Statement of the receipts and payments of the Consolidated Fund and the Trust Fund.

Within the Treasury Department, also, are the following Offices and functions :—

Tender Board ;
 State Superannuation Board of Victoria Administration ;
 Taxation Office ;
 Stamp Duties Office ; and
 Government Printer.

Treasury

Administration—Costs of administration of the Treasury proper charged to the Consolidated Fund for the past two years were :—

	1976-77	1977-78
	\$	\$
Salaries and payments in the nature of salary	1 255 790	1 476 772
General Expenses	212 046	252 774
Workers Compensation Insurance and Pay-roll Tax	67 853	88 489
	1 535 689	1 818 035

Other Services—Charges to Division 400 under the head of Other Services included expenditure for a variety of purposes and are summarised hereunder :—

	1976-77	1977-78
	\$	\$
Workers' Compensation Insurance Premiums for Government employees (excluding Railways, State Rivers and Water Supply Commission and Forests Commission)	11 576 543	14 183 276
Payment to Government Printing Office equivalent to revenue paid to Consolidated Fund	10 258 809	11 112 395
Payment of commission in respect of Tattersall Consultations to New Zealand and Tasmania Governments	1 135 507	1 953 972
Victorian Natural Disasters Relief Account	4 000 000	3 500 000
Special Youth Employment Training Program	200 000	1 350 000
Miscellaneous (including grants and contributions to appeals, social organizations, etc.)	1 705 044	1 698 780
	28 875 903	33 798 423

Payments to the Commonwealth Government on account of Loans and Advances—Payments under this head, for which provision was made under Division 401, represent debt charges due to the Commonwealth on account of loans made to, or through, the State for specific purposes.

Details are :—

	1976-77	1977-78
	\$	\$
Housing (Commonwealth-State Housing Agreement (Servicemen) and Commonwealth <i>Housing Assistance Act</i> 1973)	1 565 346	1 937 916
Shepparton Preserving Company	1 063 125	662 813
Marginal Dairy Farms	981 588	1 206 235
Dartmouth Dam	526 052	758 581
Rural Reconstruction	2 767 732	3 233 398
Sewerage Programme	6 533 133	7 372 430
<i>States Grants (Fruit Canneries) Act</i> 1976 .. .. .	..	903 358
<i>States Grants (Beef Industry) Act</i> 1975 .. .. .	..	6 442
	<u>13 436 976</u>	<u>16 081 173</u>

With the exception of Dartmouth Dam, these amounts have been recouped or are subject to recoup, in whole or in part, from the authorities or bodies involved.

Pay-roll Tax—Payments chargeable to Division 406 on account of State Departments amounted, in 1977-78, to \$48 670 488, compared with \$43 816 402 in the previous year.

Tender Board

The main function of the Board is to arrange for the procurement and transport of stores for the Service. Expenses of transport and cartage are provided in the Tender Board Vote.

Expenditure of the Board met from the Consolidated Fund in the past two years was :—

	1976-77	1977-78
	\$	\$
<i>Vote</i> —		
Salaries and payments in the nature of salary	104 202	111 568
General Expenses	14 043	17 113
Transport and cartage	470 765	484 998
Workers Compensation Insurance and Pay-roll Tax	5 712	7 016
Total	<u>594 722</u>	<u>620 695</u>

State Superannuation Board of Victoria

In accordance with the provisions of the *Superannuation Act* 1958, the cost of administration of the Board is met from the Consolidated Fund.

Costs of administering the Board for the past two years are shown hereunder :—

	1976-77	1977-78
	\$	\$
<i>Vote</i> —		
Salaries and payments in the nature of salary	801 400	914 458
General Expenses, etc.	495 715	712 297
Workers Compensation Insurance and Pay-roll Tax	43 848	57 727
Rent of Premises	121 370	121 370
	<u>1 462 333</u>	<u>1 805 852</u>

The operations of the Superannuation Funds administered by the Board will be the subject of comment in my Supplementary Report.

Taxation Office

The responsibilities of this Office include the collection of Probate Duty, Land Tax and Gift Duty. Details of collections from these sources are given earlier in this Report under the general head of Receipts.

Costs of administration of the Office for the past two years were: —

	1976-77	1977-78
	\$	\$
<i>Vote—</i>		
Salaries and payments in the nature of salary	2 304 783	2 588 345
E.D.P. Expenses .. .. .	..	273 300
Municipal Valuations	136 444	1 702 600
General Expenses	151 265	162 567
Workers Compensation Insurance, Pay Roll Tax	125 627	160 521
	2 718 119	4 887 333

The cost of Municipal Valuations increased substantially due to the four-yearly statutory updating of valuations generally in the metropolitan area.

Stamp Duties Office

This Office is responsible for the collection of pay-roll tax and stamp duty. Details of collections are given earlier in this Report under the head of Receipts. Costs of administration of the Office for the past two years were :—

	1976-77	1977-78
	\$	\$
<i>Vote—</i>		
Salaries and payments in the nature of salary	1 917 012	2 313 749
General Expenses*	564 525	631 217
Workers Compensation Insurance and Pay-roll Tax	105 566	137 068
	2 587 103	3 082 034

* Includes commission on sale of duty stamps—(1976-77 \$261 660, 1977-78 \$306 048).

Government Printer

The operations of the Government Printer are financed through the Government Printing Office Working Account, a Treasury Trust Account with a current working capital of \$2 004 405.

In 1977-78, all revenue of the Printing Office, with the exception of that arising from press advertising by departments, was paid to the credit of Charges for Departmental Services, being part of the Consolidated Fund. During the year, equivalent amounts have been debited to Treasury Vote 400-3-12 and credited to the Working Account. Revenue arising from press advertising by Departments was paid direct to the credit of the Working Account.

General expenses, including press advertising costs, have been met from the Working Account. Salaries and similar payments have been met from the Government Printer's Vote ; but equivalent amounts have been credited to Charges—Recoup Administrative Expenses—Government Printer, and debited to the Working Account, which has thus recorded all receipts and payments of the Printing Office for the year.

The balance of the Working Account at 30 June 1978 was \$53 010, as shown in the following summary of its transactions in 1977-78, with comparative figures for 1976-77.

GOVERNMENT PRINTING OFFICE WORKING ACCOUNT

	1976-77		1977-78	
	\$	\$	\$	\$
Balance, 1 July		491 433		259 331
<i>Receipts—</i>				
Printing, Sales of Publications, Stationery and Forms	10 258 809		11 112 395	
Press Advertising Fees	1 321 521		1 167 688	
Commonwealth Apprentices Employment Scheme .. .. .	..		2 824	
	<u> </u>	11 580 330	<u> </u>	12 282 907
		12 071 763		12 542 238
<i>Payments—</i>				
Salaries and Payments in the Nature of				
Salary	4 739 063		5 246 190	
Overtime	592 685		696 266	
Payroll Tax	236 979		262 542	
Paper and Material	4 510 020		4 609 459	
Press Advertising for Departments	1 187 492		1 165 578	
Tea Money, Fares	57 841		55 940	
Office Requisites and Equipment	6 781		7 634	
Books and Armed Transport	5 438		8 007	
Postage, Telephone	205 053		194 568	
Purchase and Maintenance of Vehicles	18 318		14 889	
Power, Heating	70 872		74 015	
Purchase and Maintenance of Machinery and Equipment	84 563		53 415	
Consultant's Fee	15 175		..	
Cleaning materials	15 923		16 815	
Watching Services	43 096		51 105	
Fire Insurance	7 810		7 810	
Other	15 323		24 995	
	<u> </u>	11 812 432	<u> </u>	12 489 228
Balance, 30 June		259 331		53 010

Plant and Machinery

The total cost of plant and machinery met from loan funds and Works and Services Account to 30 June 1978 was \$2 100 734.

WATER RESOURCES AND WATER SUPPLY

Ministry of Water Resources and Water Supply

The Ministry of Water Resources and Water Supply was established under the provisions of the *Water Resources Act 1975*. The Ministry consists of :—

- (i) the Minister of Water Supply ;
- (ii) the Water Resources Council ; and
- (iii) the Director of Water Resources and such other officers and employees as are necessary to carry out the functions of the Ministry.

Duties of the Minister include the determination of the means by which the water resources of Victoria can be conserved, developed and utilised to best advantage and promotion of the extension and development of sewerage and drainage services.

Functions of the Water Resources Council are to investigate and advise the Minister generally on matters pertaining to the water resources of the State or to water supply, drainage or sewerage throughout the State.

Funds for the purposes of the Ministry were provided in the annual Appropriation Act. Expenditure for the past two years is shown hereunder :—

	1976-77	1977-78
	\$	\$
Salaries and Payments in the nature of salary	91 431	129 382
General Expenses	24 335	40 988
Other Services—Drainage Tribunal, Chairman's salary and members' fees	6 729	16 776
	122 495	187 146

State Rivers and Water Supply Commission

The State Rivers and Water Supply Commission, in its function of administering the Water Act, is responsible for the construction and maintenance of country water supply works. As well as country water supply within the constituted districts, it has other duties such as investigations and research, and the supervision of works for other bodies and persons. It is also a constructing authority for the carrying out of works for the River Murray Commission.

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

CASH SUMMARY

Details of the cost to the Consolidated Fund in connexion with country water supply are set out in Statement No. 5 appended to this Report. A summary of receipts and payments for the period 1975-78 is given in the table hereunder :—

		Receipts, Including Recoups	Payments				Net Outgoing
			General	Debt Charges	Works and Services Account	Total	
		\$	\$	\$	\$	\$	\$
1975-76	.. ..	29 740 899	32 711 466	31 128 418	29 968 573	93 808 457	64 067 558
1976-77	.. ..	35 757 288	38 181 573	35 755 431	38 858 062	112 795 066	77 037 778
1977-78	.. ..	40 028 264	42 711 940	40 354 530	43 633 785	126 700 255	86 671 991

REVENUE

A summary of the revenue from rates and charges for the supply of water for the period 1975-78 is furnished hereunder :—

	Amounts Collectable			Amounts Credited	Arrears as at 30 June
	Water Sales and Miscellaneous	Assessments of Rates and Charges	Total Collectable Sum Including Arrears		
	\$	\$	\$	\$	\$
1975-76	5 243 867	15 615 723	24 331 575	19 367 633	4 963 942
1976-77	6 198 937	17 338 527	28 501 406	23 419 960	5 081 446
1977-78	7 009 442	20 149 223	32 240 111	26 665 090	5 575 021*

* Subject to adjustment in 1978-79

Factors contributing to the increase of \$3 738 705 in the total collectable sum for 1977-78, compared with the previous year, were :—

- (i) increased irrigation charges applicable to irrigation districts generally ;
- (ii) higher municipal property valuations in urban districts (notwithstanding a drop in the amount of rate levied); in particular, in the Mornington Peninsula and Bellarine Peninsula areas ; and
- (iii) generally higher rates in waterworks districts.

A dissection of the total collectable sum in each of the past two years and the amount thereof owing at 30 June 1978 is given in the statement hereunder :—

	Total Collectable Sum		Arrears
	1976-77	1977-78	30.6.78
	\$	\$	\$
Coliban Districts	1 501 395	1 856 085	276 337
Irrigation Districts	15 286 209	16 688 761	3 733 617
Waterworks Districts	3 521 791	4 021 623	399 962
Rural Districts	305 632	350 757	60 008
Urban Districts	6 769 403	8 382 243	980 042
Flood Protection Districts	181 112	191 976	30 117
Sundries	925 461	748 666	94 938
	<u>28 491 003</u>	<u>32 240 111</u>	<u>5 575 021</u>

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

	1976-77	1977-78
	%	%
Coliban Districts	89	84
Irrigation Districts	75	75
Waterworks Districts	91	90
Rural Districts	82	81
Urban Districts	87	90
Flood Protection Districts	93	87

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

	1976-77	1977-78
	\$	\$
From oncost at varying rates to a maximum of 15 per cent. ..	4 358 757	4 558 267
„ repayments on account of works temporarily financed from Consolidated Fund	1 133 985	1 469 535
„ salary recoups—River Murray Commission and various funds	4 167 120	4 214 731
	<u>9 659 862</u>	<u>10 242 533</u>

PAYMENTS

Payments from the Consolidated Fund in 1977-78 on account of country water supply totalled \$126 700 255 and comprised salaries and payments in the nature of salary, \$22 764 175, debt charges, \$40 354 530, general expenses and other services, \$19 947 765 (including Water Supply Maintenance and Renewals Account, \$350 923 and Irrigation Districts Maintenance Equalization and Renewals Account, \$19 999) and Works and Services Account, \$43 633 785.

Expenditure from the Works and Services Account included the sum of \$25 740 944 in respect of works undertaken by the Commission. The main items were :—

		\$
Mornington Peninsula System Installation, enlargement, and extension of main supply works, pipelines and reticulation ..		6 681 329
Lake Merrimu Construction Project—Stage II		2 439 711
Irrigation Districts Principally the construction of main channels and drainage works		5 353 342
Tarago—Westernport Construction of pipeline		1 184 562

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

		\$
Apprentices Employment Scheme		22 831
Water Resources Measurement		1 300 892

OTHER FUNDS AND ACCOUNTS

Irrigation Districts Maintenance Equalization and Renewals Account

The main purpose of this Account is to provide moneys to defray the cost of maintenance and renewal works in irrigation districts. The Account is credited each year with a sum equivalent to the total of the cash surpluses, if any, as shown by the accounts of the respective irrigation districts at the end of the last preceding financial year. Pursuant to the provisions of Section 68 of the *Water Act 1958*, the Auditor-General is required to certify to such cash surpluses. The amount of surpluses so certified in 1977–78 was \$19 999, and this sum was provided from Consolidated Fund by way of Special Appropriation.

Water Supply Maintenance and Renewals Account

The main purpose of this Account is to provide moneys for the cost of maintenance and renewal works in urban and rural districts, and the Bellarine Peninsula, Otway, and Mornington Peninsula waterworks districts. The account is credited each year with a sum equivalent to the total of the cash surpluses, if any, as shown by the accounts of the respective districts at the end of the last preceding financial year.

Pursuant to the provisions of Section 83A of the *Water Act 1958*, the Auditor-General is required to certify to such cash surpluses. The amount of surpluses so certified in 1977–78 was \$350 923 and this sum was provided from the Consolidated Fund by way of Special Appropriation.

Water Supply Stores Suspense Account

Up to and inclusive of 30 June 1978, funds amounting to \$3 012 000 have been made available from the Works and Services Account for the purpose of financing the Stores Suspense Account.

In the Treasurer's Trust Fund statement, the balance at credit of the Water Supply Stores Suspense Account is shown as \$934 107. This amount is represented in the Commission's accounts by :—

		\$
Balance available for purchases of stores, etc.		126 097
Credit Balances of Hire Plant Accounts		808 010
		934 107

The balances of Hire Plant Accounts, which fluctuate from year to year, result from credits from plant hire charges made against works expenditure authorities, together with amounts from Plant and Machinery Adjustment Account which are cleared within each financial year.

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

According to Commission records, the book values of plant, tools and general stores at 30 June 1978 were :—

		Plant	Tools and Stores
		\$	\$
At Construction Works		110 678	504 228
Stores Suspense Accounts (Depots)		273 542	2 140 222
At Central Plant Workshops (Suspense Accounts)		49 790	348 960
At Central Plant Workshops pending transfer or disposal		3 280	124 027

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

Water Supply Plant and Machinery Depreciation Fund

Expenditure from the Works and Services Account during the year for the purchase of movable plant and machinery to be engaged on the construction and maintenance of the works of the Commission totalled \$150 430. The capital liability at 30 June 1978 in respect of this class of plant and machinery was \$4 024 731.

Under the provisions of the Water Act, the cost of this plant and machinery is not charged directly to any district, but, when such plant and machinery is used on construction and maintenance works, a charge for depreciation is made and the amount is paid to the Water Supply Plant and Machinery Depreciation Fund. At 30 June 1978, the balance in the Fund for the replacement of hire plant and machinery was \$2 538 691.

Water Supply Works Depreciation Fund and Account

Pursuant to the provisions of Section 83 of the *Water Act* 1958, the Commission is required to raise moneys, by means of annual rates and charges, to provide for the replacement of any machinery, plant, or perishable structures forming part of the works of any flood protection, drainage or waterworks district (other than the Bellarine Peninsula, Otway, and Mornington Peninsula waterworks districts).

The sums raised for depreciation in the annual rates and charges are to be paid into the Consolidated Fund or, to the extent the Treasurer directs, to the Water Supply Works Depreciation Fund. Also, the sums raised (with interest credited thereon) must be shown in the Commission's books to the credit of the Water Supply Works Depreciation Account.

The amount raised for credit to the Water Supply Works Depreciation Account in 1977-78 was \$35 327. However, in recent years, no payment has been made to the Fund and, at 30 June 1978, no balance was held in the Fund. At the same date, the balance of the Account was \$761 850.

Victorian Natural Disasters Relief Account

Expenditure charged to this Account by the Commission totalled \$295 042 and represented, mainly, grants for flood restoration works to River Improvement Trusts.

Water Supply Development Account

The *Water Act* 1958 as amended by the *Local Government (Subdivision of Land) Act* 1973 provided for the establishment in the Treasury, as part of the Trust Fund, of an account to be called the Water Supply Development Account.

Contributions received by the Commission from land-holders towards the cost of the Commission's headworks and distribution systems are required to be paid into the Account. Moneys paid into the Account may, with the approval of the Minister, be applied towards works of water supply to augment or extend the headworks and distribution system in respect of which the money was received.

Receipts of the Account during the year amounted to \$2 315 988. Expenditure therefrom totalled \$1 183 678. The balance of the Account at the close of the year was \$2 150 489.

OTHER ACTIVITIES

River Murray Commission

The agreement made under the provisions of the *River Murray Waters Act* 1915 provides for the construction of works on the River Murray and for the appointment of the River Murray Commission to give effect to the agreement. The State Rivers and Water Supply Commission, which is a constructing authority under the terms of the Act, incurred expenditure in 1977-78 on these works amounting to \$36 111 884, including an amount of \$35 250 350 on the construction of Dartmouth Dam.

In 1977-78, under the authority of Water Supply Works and Services Acts Nos. 8905 and 9053, Victoria contributed \$10 387 550 for the construction of works, bringing the State's total contribution for construction as at 30 June 1978, to \$41 992 250. The contribution from the Consolidated Fund for maintenance and administrative expenses amounted to \$250 000.

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

Dartmouth Dam Construction Account

This Account was established by the Treasurer under the authority of Section 8 of the *Public Account Act* 1958 to record income and expenditure in relation to the construction of Dartmouth Dam. In the year, receipts, representing recoups of expenditure from the River Murray Commission, amounted to \$35 385 561 and expenditure to \$35 250 350. The balance in the account at 30 June 1978 was \$1 006 200.

The Agency Trust Account

This Account was established by the Treasurer under the authority of Section 8 of the *Public Account Act* 1958 to record contributions by other bodies towards the costs of works carried out by the Commission. In the year, contributions amounted to \$2 605 765 and expenditure to \$3 452 126. The balance in the Account at 30 June 1978 was \$922 468.

Waterworks Trusts

As at 30 June 1978, there were 187 Waterworks Trusts constituted. Supervision of the Trusts is vested in the State Rivers and Water Supply Commission. The accounts of the Trusts are required by Section 169 of the *Water Act* 1958 to be audited by my officers.

Funds for capital works by the Trusts have been provided principally by advances made available by the State. Works have also been financed from the Trusts' own resources and from loans raised under the provisions of the Act. In terms of the *Water Act*, interest in excess of 3 per cent. on loans raised by the Trusts is recouped by the State. Expenditure under this heading for the year was \$1 381 126, including an amount of \$137 418 to the Geelong Waterworks and Sewerage Trust.

In 1977-78, advances to various Trusts by the State amounted to \$3 497 875. Repayments on account of advances amounted to \$187 003, and certain Trusts were relieved of liability to the extent of \$1 025 874. This sum, by direction of the Governor in Council, is to be borne by the State. The net increase during the year in the Trusts' indebtedness for State loans was \$2 284 998.

River Improvement Trusts

As at 30 June 1978, there were twenty-seven River Improvement Trusts and four Drainage Trusts constituted. The accounts of the Trusts are subject to audit by my officers, as required by the provisions of the *River Improvement Act* 1958.

The Act authorises the Trusts to borrow money to finance works construction and to raise revenue to meet maintenance and administration costs on similar conditions to those operating for Waterworks Trusts. Interest in excess of 3 per cent. on loans raised by the Trusts is recouped by the State and the amount provided by the State in 1977-78 for this purpose was \$1 974.

Advances by the State in 1977-78 totalled \$1 085 905. Repayments in respect of advances amounted to \$5 779, and certain Trusts were relieved of liability to the extent of \$921 373 which the Governor in Council directed be borne by the State. The net increase in the Trusts' indebtedness for State loans was \$158 753.

Country Sewerage

In addition to its function of administering the *Water Act*, the Commission exercises general supervision over Sewerage Authorities. With the exception of the Eildon Sewerage Authority, which was constituted under the provisions of the *Water Act*, the accounts of the Authorities are not subject to my audit.

Funds for capital works by the Authorities have been provided by advances made available by the State. Works have also been financed by the Authorities from private loans raised under the provisions of the *Sewerage Districts Act* 1958. Interest in excess of 3 per cent. on such loans is recouped to Authorities by the State. Expenditure under this heading for the year was \$6 050 670.

Advances by the State in 1977-78 totalled \$2 639 000. Repayments in respect of advances amounted to \$35 482 and certain Authorities were relieved of liability to the extent of \$1 939 000 which the Governor in Council directed be borne by the State. The net increase in the Authorities' indebtedness for State loans was \$664 518.

YOUTH, SPORT AND RECREATION

The objects of this Department, established under the provisions of the *Youth, Sport and Recreation Act 1972*, are stated in the Act as :—

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

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

Expenditure charged against the Consolidated Fund related almost solely to the administrative costs of the Department. Expenditure for the past two years is compared hereunder :—

Vote—	1976-77	1977-78
	\$	\$
Youth, Sport and Recreation—		
Salaries and General Expenses	811 125	954 437
Racing Administration	224 085	255 312
Public Works—Rent of Premises	230 032	216 657
Treasurer—Workers Compensation Insurance and Pay-roll Tax ..	45 269	61 734
	1 310 511	1 488 140

TRUST ACCOUNTS

The *Youth, Sport and Recreation Act 1972* established in the Treasury, as part of the Trust Fund, three funds through which various departmental services and projects are administered, including projects partly financed by the Commonwealth. Brief comments on each of the three funds are given in the following paragraphs.

Youth Fund

Receipts of the Fund amounted to \$2 130 000 and consisted of the Fund's share of off-course totalizator receipts as determined by the Treasurer in accordance with the relevant provision of the *Racing Act*. Payments totalled \$2 031 736 and consisted, mainly, of expenditure on—

	\$
Grants to Youth organisations for buildings, operating expenses and leadership training	728 916
Youth, Family and National Fitness Council Camps	327 921
Youth Programs	247 588
Municipal Recreation Officers—Salary Subsidies	230 618
Community School and School Holiday Programs	180 382
Youth Conferences	112 000

At 30 June 1978, the balance of the Fund was \$630 549.

Sports and Recreation Fund

Receipts of the Fund amounted to \$6 113 091 and comprised the following—

	\$
Share of off-course and Tabella totalizators	4 685 335
Special appropriations under the Tattersall Consultation Act	968 101
Commonwealth contributions	450 525
Other receipts	9 130
	6 113 091

Payments totalled \$5 950 517 and consisted, mainly, of expenditure on the following items—

	\$
Community Sporting and Recreation Facilities	3 010 682
National Fitness Council—Operating Expenses	492 031
Grants to parent sporting and recreation associations for sports and recreation development	430 413
State Indoor Sports and State Swimming Centres	407 910

	\$
Loans to Municipalities	384 500
Municipal Recreation Officers—Salary Subsidies	230 618
Life Saving Organizations	156 033
Special Provisions (including maintenance grants to Royal Agricultural Society, Yarra Bend and Albert Parks)	147 978
Cycle Paths	146 304
Special Grants (including grants to the University of Melbourne and the Forests Commission)	101 523

The balance of the Fund at 30 June 1978 was \$5 840 109.

Loans to Municipalities outstanding at 30 June 1978 totalled \$504 500.

Australian Rules Football Fund

Moneys credited to the Fund during the year amounted to \$150 791, representing its share of off-course totalizator and Tabella totalizator receipts. Expenditure totalled \$201 522, and, at 30 June 1978, the balance of the Fund was \$13 269.

PART VI—GENERAL GUARANTEES

In certain instances, authorities for guarantees have been provided by specific legislation such as that relating to Co-operative Housing Societies. On other occasions, the State has been committed in respect of guaranteed bank overdrafts by the Executive without the specific authority of Parliament.

Particulars are given below of guarantees, not authorized by statute, showing the contingent liability of the State under each guarantee at 30 June 1978.

	No. of Guarantees Current at 30 June 1978	Guarantee	Contingent Liability
		\$	\$
Ballarat Agricultural and Pastoral Society	1	7 000	7 000
Ballaarat City Council	1	50 000	50 000
Bendigo City Council	1	20 000	20 000
Olympic Park Committee of Management	9	3 190 000	2 752 500
Royal Agricultural Society of Victoria	2	530 000	504 662
Preston Institute of Technology	1	80 000	70 061
Swan Hill Pioneer Settlement Authority	1	175 000	175 000
	16	4 052 000	3 579 223

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

The statement below lists guarantees given by the Treasurer under the authority of statute together with the contingent liability in each case at 30 June 1978. Guarantees given by the Treasurer in 1977-78 are detailed later in this section. Excluded from the statement are all government guaranteed borrowings by State instrumentalities and other bodies where the repayment of principal and interest is secured by the issue of debentures or stock and Parliament has specifically included such guarantees in the legislation.

	No. of Guarantees Current	Guarantee	Contingent Liability
		\$	\$
Co-operative Housing Societies*	6 977	253 336 724†	99 289 913†
Co-operative Housing Societies .. .. .	..	..	268 916 674††
Co-operative Societies	607	10 449 121	6 818 200
Home Finance Trust	225	37 139 302	27 600 857
Melbourne Cricket Club	11	2 550 000	2 190 377
Trustees of the Sisters of Charity of Australia	8	5 550 000	4 752 345
Royal Women's Hospital	8	3 300 000	3 336 343
Sisters of Mercy Property Association	3	800 000	399 772
Royal Melbourne Hospital	2	1 000 000	970 854
Carlton Cricket and Football Social Club	3	1 300 000	1 213 699
Alfred Hospital	2	1 500 000	1 500 000
Essendon Recreation Reserve Committee Limited	2	250 000	232 295
City of Benalla	2	210 000	203 276
Essendon and District Memorial Hospital	2	370 000	363 755
Security of Solicitors' Guarantee Fund (Law Institute)	4	2 000 000	2 000 000
Shire of Donald	4	450 000	431 534
St. Vincent's Hospital	2	1 800 000	1 400 000
Alexander Home and Hospital for the Aged	1	89 000	88 220
Uniting Church in Australia Property Trust (Epworth Hospital)	1	17 000 000	2 000 000
Mildura Base Hospital	1	350 000	350 000
Wangaratta District Base Hospital	1	73 000	66 857
Victorian Public Offices Corporation	2	1 700 000	1 700 000
Geelong Football Club Limited	1	1 600 000	500 000
Albury-Wodonga (Vic.) Corporation	1	250 000	250 000
Co-operative Farmers and Graziers Direct Meat Supply	1	4 500 000	4 500 000
Geelong Regional Commission	1	250 000	250 000
Victorian Dairy Industry Authority	3	16 800 000	16 800 000
Melbourne Wholesale Fruit and Vegetable Market Trust	1	50 000	50 000
Decentralized Industry Housing Authority	6	3 800 000	3 729 567
Eltham College	1	350 000	314 512
Austin Hospital	1	500 000	500 000
	7 884	369 317 147	452 719 050

* Includes indemnities given under Section 76 (1) of the *Co-operative Housing Societies Act 1958*.

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

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

The Treasurer has, in accordance with sub-section 7 of Section 811B of the *Local Government Act 1958*, as amended, guaranteed the repayment of additional approved borrowings by the City of Benalla to erect a factory in Benalla for lease by Centique Industries Pty. Ltd., and by the Shire of Donald to improve the Donald Meatworks which are leased to Countryside Meats Pty. Ltd. At 30 June 1978, guarantees totalled \$210 000 and \$450 000 respectively.

Section 68A of the *Hospitals and Charities Act* 1958, as amended, authorises the Treasurer to execute in favour of any person a guarantee in respect of any money raised with the authority of the Governor in Council under Section 67. The Treasurer has, in accordance with these provisions, guaranteed the repayment of loans raised in 1977-78 by the Alexander Home and Hospital for the Aged at Castlemaine (\$89 000), the Austin Hospital (\$500 000), the Mildura Base Hospital (\$350 000), the Essendon and District Memorial Hospital (\$170 000) and the Wangaratta District Base Hospital (\$73 000) for the provision of staff accommodation.

In addition, the total liability under guarantees in respect of loans raised for medical consulting rooms at St. Vincent's Hospital was increased to \$1 800 000 in 1977-78.

The *Epworth Hospital (Guarantee) Act* 1977 provides for the Treasurer to guarantee the repayment of loans borrowed by the Uniting Church in Australia Property Trust (Vic.) in relation to the re-development of the Epworth Hospital. Total liability is not to exceed \$17 000 000.

The *Co-operative Farmers and Graziers Direct Meat Supply Limited Act* 1978 authorises the Treasurer to guarantee the repayment of one-half of the moneys borrowed by the Co-operative Farmers and Graziers Direct Meat Supply Limited for the repayment of debts incurred, up to a maximum of \$4 500 000, provided that a similar guarantee is undertaken by the Commonwealth Government in respect of the other one-half of moneys borrowed.

The aggregate liability which the Treasurer of Victoria may incur under guarantees entered into under the *Co-operation Act* 1958, and the *Co-operative Housing Societies Act* 1958 was increased to \$13 000 000 and \$265 000 000 respectively in 1977-78.

Other guarantees executed during 1977-78 in respect of borrowings by certain organizations, etc. under various Acts of Parliament are detailed in the table below :—

Name of Organization, etc.	Legislation details	Purpose of borrowings
Victorian Public Offices Corporation	<i>Victorian Public Offices Corporation Act</i> 1974—Section 14 (2)	Construction of the State Public Offices block at Geelong, and land purchase at Ballarat
Geelong Football Club Limited	<i>Lands Act</i> 1958—Section 224A	Construction of new grandstand at Kardinia Park, Geelong
Albury-Wodonga (Vic.) Corporation	<i>Albury-Wodonga Agreement Act</i> 1973—Section 21 (2)	Various capital works in the Wodonga area
Geelong Regional Commission	<i>Geelong Regional Commission Act</i> 1977—Section 20 (3)	Capital works in the Geelong area
Victorian Dairy Industry Authority	<i>Victorian Dairy Industry Authority Act</i> 1977—Section 19 (2)	Carry out its powers and functions under the Act
Melbourne Wholesale Fruit and Vegetable Market Trust	<i>Melbourne Wholesale Fruit and Vegetable Market Trust Act</i> 1977—Section 16 (1)	Carry out its powers and functions under the Act
Eltham College	<i>Educational Institutions (Guarantee) Act</i> 1976—Section 3 (1).	Construction of additional school buildings

Guarantees executed by the Treasurer under Section 14 (2) of the *Decentralized Industry (Housing) Act* 1973, in respect of borrowings by the Decentralized Industry Housing Authority for the purchase and construction of houses for approved decentralized secondary industries totalled \$3 800 000 at 30 June 1978.

In addition, the total liability under loans raised by the Carlton Cricket and Football Social Club was increased to \$1 300 000 upon the execution of a further guarantee by the Treasurer during 1977-78.

The list of guarantees contained herein is compiled from Treasury records and is advised by Treasury to be a complete list at 30 June 1978. The Treasurer's Statement does not include details of guarantees, or contingent liability arising from the execution of guarantees by the Treasurer.

Section 95A of the *State Electricity Commission Act* 1958, as amended by the *State Electricity Commission (Financial Accommodation) Act* 1977, provides that the Commission may obtain advances on financial accommodation from any person whether in Victoria or elsewhere of such amounts, and secured or arranged in such manner and for such period as approved by the Treasurer in each particular case. Repayment of principal together with the payment of interest and other related charges is guaranteed by the Government.

The following table summarises guarantees approved by the Treasurer in accordance with Section 95A and the contingent liability at 30 June 1978 in respect of each :—

Company Providing Financial Accommodation	Amount of Guarantee —Principal	Purpose of Advance	Contingent Liability 30.6.78
International Combustion Aust. Ltd.	\$(US)21 000 000	Stage 2—Yallourn “ W ” Power Station	\$(US)21 000 000
International Combustion Aust. Ltd.	\$(A)66 000 000	Stage 2—Yallourn “ W ” Power Station	\$(A)14 147 236
International Combustion Aust. Ltd.	\$(US)300 000 000	Loy Yang Power Station ..	\$(US)2 000 000
Lewis Construction Co. Pty. Ltd. ..	\$(US)37 000 000	Loy Yang Power Station ..	\$(US)5 300 000
Mitsui and Co. Ltd.	4 648 989 059(Yen)	Stage 2—Yallourn “ W ” Power Station	2 354 153 513(Yen)

A contingent liability additional to those shown in the table above is that of \$A5 385 810 in respect of currency variations as at 30 June 1978.

STATE'S DEBTORS

DEBTS DUE TO THE CONSOLIDATED FUND

The statement hereunder details amounts owing to the Consolidated Fund at the end of each of the last two financial years. Amounts included are debtors as per Departmental records together with cash in transit i.e. cash collected by Departments in the year under review but not credited in the Treasury until the following year.

	30.6.77	30.6.78
	\$	\$
Taxation—		
Gift Duty	601 871	164 912
Land Tax	15 545 030	21 595 049
Probate Duty	14 255 004	15 680 477
Railways	12 041 393	11 597 316
Water Supply	5 081 446	5 575 021*
Forests	2 676 703	2 388 364
Mental Hygiene	2 153 118	1 649 855
Rural Finance	1 170 198	1 183 095
Health	2 181 436	1 151 269
Stamps	5 874 548	1 035 548
Lands	619 358	599 290
Courts	482 261†	510 429†
Government Printer.. .. .	277 372	431 478
Ministry of Housing	286 876	325 711
Motor Registration	286 853	307 211
Other Departments, etc.	1 517 129	613 373
	65 050 596	64 808 398

* Subject to adjustment in 1978-79

† Excludes fines not collected by courts at 30 June

ADVANCES TO PUBLIC BODIES, ETC.

The State makes advances from the Consolidated Fund to public bodies and other organisations, and debts due to the State in respect of these advances are shown in the statement below. Amounts made available to major undertakings such as the State Electricity Commission, Housing Commission, Rural Finance Commission, etc. are not included here, but are discussed in the relevant sections of my Supplementary Report.

Advances additional to those from the Consolidated Fund have been provided from various Trust Funds, such as the Development Fund and the Tourist Fund. References to these Funds are made under appropriate headings in this Report.

Set out below is a summary of advances, after deduction of amounts of capital transferred to the "Capital Expenditure Borne by the State Account," made during the past two years by means of special items in Works and Services Acts or from Treasurer's Advance.

	1976-77	1977-78
	\$	\$
Waterworks Trusts, Sewerage Authorities, etc.	3 119 197	3 876 339
Miscellaneous	936 999	1 379 218
	4 056 196	5 255 557

In some cases, repayment of advances has not been in accordance with the agreed conditions and, at 30 June 1978, instalments of redemption and interest charges due and unpaid amounted to \$136 089. Following is a statement of the balances of advances and amounts overdue :—

	Balance of Advances at 30 June 1978	Overdue at 30 June 1978		
		Redemption	Interest	Total
	\$	\$	\$	\$
Municipalities	2 941 456	6 144	7 065	13 209
Corporations and Other Bodies	60 382 815	13 057	67 238	80 295
Unemployment Relief Advances	62 866	16 426	..	16 426
Advances to Settlers	3 649	2 916	830	3 746
Various	5 611 120	12 258	10 155	22 413
Total	69 001 906	50 801	85 288	136 089

Disallowances and Surcharges

In conformity with the provisions of Section 47 of the *Audit Act* 1958, I furnish hereunder particulars of a surcharge not satisfied at 30 June 1978.

Date	Department etc.	Amount	Particulars
7.7.77	Treasury-Office of the Comptroller of Stamps	\$ 8 224.00	Failure to account for moneys received and/or adhesive duty stamps. Officer resigned and recovery of the balance outstanding is being effected at the rate of \$100 per month. The sum of \$5 980.49 remained unsatisfied at the close of the year.

There were no disallowances issued during the year.

Treasurer's Acquittance

Sub-sections (1) and (2) of Section 34 of the *Audit Act* 1958 require me to acquit the Treasurer, in the form of the Eleventh Schedule to the Act, for the amount of the public moneys spent which has been ascertained by me to have been duly and properly expended. Sub-section (3) of the said Section excludes from the acquittance expenditure which is "the subject of query or observation or of show cause action or of disallowance or surcharge".

In respect of moneys disbursed from the Public Account in 1977-78, the Treasurer has not been acquitted to the extent of \$7 654 205 which includes an amount of \$6 862 232, advances to Departments etc. not adjusted prior to 30 June 1978. The figure of \$6 862 232 includes a Special Advance of \$3 185 975, issued under authority of Section 15 of the *Public Account Act* 1958, to provide funds for the payment of salaries and wages applicable to 1 July 1978, which were paid on 26 June 1978.

Defalcations and Irregularities

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

COUNTRY ROADS BOARD

Survey Section—Two members of a survey party lodged orders to pay agent in favour of their supervisor and pay envelopes totalling \$589.96 were concealed by him in his office. These envelopes were subsequently found to be missing. Police investigations failed to fix responsibility and the amount was made good by the Board's insurers.

EDUCATION

Salaries Branch—Four cheques totalling in all \$1 009.64 suspected of having been stolen from the salaries branch were fraudulently negotiated. Police enquiries failed to establish responsibility for these irregularities.

Heidelberg Heights Primary School—The Treasurer of the School Council forged cheques totalling \$1 766.28 on the school council's general account. She was convicted in respect of seven counts of theft, placed on two years probation and ordered to make restitution at the rate of \$40 per month.

Nerrena Primary School and Debney Park High School—Irregular accounting practices in relation to various school accounts are under investigation by the police.

Minimbah Hostel—The sum of \$380 was found to be missing from moneys collected for the Students' Damages Fund. This matter together with other irregularities was placed in the hands of the police but responsibility for the loss could not be established.

Ashwood High School—An Office Assistant misappropriated a total of \$4 860.90. She resigned and was subsequently charged on 15 counts of theft and fined the sum of \$3 000. Full restitution has been made.

Hadfield High School—Irregularities involving substantial sums occurred in relation to cheques drawn on the Advisory Council Account. Police investigations are proceeding.

Melbourne College of Printing and Graphic Arts—An audit inspection established that a deficiency of \$4 316.24 existed in the various accounts of the College. The Registrar resigned, was subsequently charged with theft by deception, and fined the sum of \$2 000. Full restitution has been made.

LAW DEPARTMENT

Public Trustee—An officer employed at the Public Trust Office wrongfully negotiated two cheques for the sums of \$45 607.07 and \$40 228.21 respectively drawn by the Public Trustee payable to the State Savings Bank for overseas transfer. The officer's appointment was annulled and he was subsequently charged, found guilty of theft, and sentenced to two years imprisonment to be served concurrently with a sentence imposed in respect of irregularities which had occurred at his previous place of employment. There was, at date of preparation of this Report, no shortage in the accounts of the Public Trust Office as the State Savings Bank had honored the overseas transfers.

Registrar of Titles—The sum of \$500 was missing from revenue collections when handed over to a security firm in return for that firm's cheque. Departmental enquiries failed to establish responsibility for the shortage and the amount was made good, with the approval of the Treasurer, from the incidentals vote of the Titles Office.

PUBLIC WORKS DEPARTMENT

Reimbursements and Collections Section—The sum of \$403 in cash was stolen from a safe in this Section apparently by use of a safe key kept in a desk drawer. Police were notified but investigations failed to establish responsibility for the theft.

RAILWAYS

Twenty one officers and employees were found guilty of offences in respect of loss or theft of money or other property. Twenty cases were heard by the courts and one case was dealt with by the Railways Board of Discipline.

A Station Assistant at Frankston Railway Station was convicted on a charge of misappropriating \$352, and placed on probation. Full restitution was made.

Errors were detected in the accountancy work of a Parcels Assistant at Morwell Railway Station and investigations established that an amount in excess of \$2 000 had been falsified. Investigations are continuing.

Other cash deficiencies in respect of the Railways were comparatively small.

During the year, one armed robbery and four thefts were carried out at various railway locations, with a total loss of cash and stock amounting to \$1 045.

According to Departmental records, amounts totalling \$1 590 have been received up to 30 June 1978 from and on behalf of a former employee, now deceased, who had been previously convicted of the theft of a quantity of timber and ordered to repay the sum of \$11 350 compensation by instalments.

STATE ELECTRICITY COMMISSION

Robinvale—A commercial officer admitted to manipulation of Commission Funds resulting in a deficiency of \$1 590.83. The officer was dismissed but subsequently re-employed at a lower classification and transferred to other duties. Full restitution was made.

Other minor losses and thefts of stores and materials at various locations were investigated and appropriate action taken.

TOTALIZATOR AGENCY BOARD

Minor misappropriations by Board employees, agents or their staff, totalling \$1 844.90, were detected in the accounts at six offices and involved reprocessing paid tickets or failure to account for cash received. The employees' employment or agency agreements with the Board were terminated and in four cases criminal proceedings followed. Recovery has been made or is in course in all cases.

A forged ticket with a value of \$453.95 was presented by a member of the public. He was apprehended and found guilty at the County Court and restitution was made.

Fraudulent manipulation of telephone betting accounts resulted in a loss to the Board of \$3 500. Police are investigating.

Twenty six hold-ups occurred during the year, the total amount stolen being \$33 370. In nineteen of these cases the offenders have not been apprehended.

UNIVERSITIES

Deakin—The sum of \$443.10 including a cheque for \$50 was stolen from the General Office safe. Payment was stopped on the cheque and the balance recovered from the University's insurers. Security arrangements were improved and police notified. Responsibility was not established.

Monash—Over a period sums totalling \$4 276.23 were stolen from the University Union. The person responsible was subsequently apprehended. The amount stolen was made good by the University Union's insurers.

OTHER

Minor irregularities occurred at the following locations :—

Agriculture Department—Plant Services Group ; Publications Section.

Chief Secretary's Department—Liquor Control Commission ; South Yarra Police Station ; Glenroy Police Station ; Police Traffic Centre.

Deakin University—Library.

Education Department—Preston East High School Canteen.

Forests Commission—Maffra District Office.

Health Department—Health Planning Committee ; Medical Board.

Law Department—Sandringham Magistrates' Court.

Ministry of Conservation—Lower Glenelg National Park ; Amateur Fishing Licence Agency.

Melbourne University—Residential Centre, Geology Department ; Economics and Commerce Department ; Redmond Barry Building.

Monash University—Education Department.

Premier's Department—Public Service Board.

LOSSES AND THEFTS OF STORES

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

Department or Authority	Location	Items Lost or Stolen	Value	Remarks	
			\$		
Agriculture	Plant Research Institute, Burnley	Holden sedan	3 700	} Stolen. Reported to Police.	
		Camera	800		
	State Laboratories ..	Microscope	600		} Missing. Written off.
		Veterinary Laboratory, Benalla	Trailer	150	
	Agricultural Economics Branch	Various	Pump	695	} Stolen. Reported to Police.
Dictation machine ..			150		
		Tools and equipment ..	401		
Conservation	Victoria Archaeological Survey	180 booklets	320	} Police notified.	
	Nyerimilang Homestead ..	Outboard motor	50		
		Warrandyte National Park	Chain saw		422
			Drill		90
	Wilson's Promontory National Park	Forest phone	50		
	Cape Schanck Park ..	Radio phone	50		
Council of Adult Education	Head Office	Typewriter	50	Stolen. Police informed. Insurance claimed.	
Country Roads Board ..	Keilor	Motor	285	} Stolen. Police informed. Presumed stolen. Police notified.	
	Head Office	Set of desk lamps	200		
	Various	Tools and equipment ..	1 535		
Deakin University ..	Vines Road Campus	2 paintings	2 450	} Stolen. Police notified. Insurance recovered.	
	Lunan House	Tape deck, turntable, amplifiers	1 389		
Forests Commission ..	Mount Sabine	Radio equipment	2 305	} Stolen. Reported to Police.	
	Mount Beenack	2 Solar panels	246		
		Equipment	45		
	Healesville	Mobile radio, aerial ..	708		
	Blue Mount	Transceiver	700		
		Telephone	36		
	Mount Despair	Radio	700		
		Equipment	201		
	Mount Nowa Nowa ..	Radiophone	700		
	Mount Tarrengower ..	Power pack	80		
		Radiophone	700		
	Land Conservation Council	Radiophone	700		
North Altona	Radio mast	390			
	11 tyres and rims ..	552			
		Transport stores ..	32		
Latrobe University ..	David Myers Building ..	Typewriter	130	} Stolen. Police notified. Not insured.	
		Calculator	183		
	Genetics Department ..	Electric typewriter ..	843		} Stolen. Police notified. Not insured.
	Various locations ..	Equipment	2 062			Some cases reported to Police.
Local Government ..	Victoria Grants Commis- sion	Electric typewriter ..	500	Police notified.	
	Weights and Measures Office	Camera lens and booster	100	Enquiries continuing.	
Melbourne and Metropolitan Board of Works	Various locations ..	Tools and equipment ..	8 513	Police notified of thefts.	
Mental Health Authority ..	Ernest Jones Clinic ..	Dictating machine, tapes and cassettes	200	} Police notified.	
		Cassette recorder ..	149		
		Typewriter	30		
	Larundel Hospital ..	Chain saw	250	} Police notified. Written off. Reported to Police.	
		Technical books	40		
		Chain saw	400		
	Travancore Clinic ..	Video cassette recorder	60	} Reported to Police.	
	Willsmere Hospital ..	Colour television set ..	1 000		
	Various	Tools and equipment ..	393	} Some cases reported to Police.	
		Rosa Gilbert Hostel ..	Colour television set ..		650	Police notified.
Monash University ..	Union Building	2 tape decks, television system	400	} Investigating. Insurance claimed.	
		2 tape recorders, video equipment	1 400		Reported to Police. In- surance recovered.
	Student Counselling	2 cassette recorders ..	150	} No insurance.	
	Computer Centre ..	Computer components ..	10 000		
	Earth Sciences	2 vehicle wheels and tyres	200		
	English Department ..	Electric typewriter ..	300		
Various	Sundry equipment ..	567			
Police	Various	Petrol, uniforms, 3 pistols	905	Stolen.	
Public Works	Various	Tools and equipment ..	10 984	Thefts reported to Police.	

LOSSES AND THEFTS OF STORES—*continued*

Department or Authority	Location	Items Lost or Stolen	Value	Remarks
			\$	
State Development, De-centralization and Tourism	Vehicle at University of Melbourne	Pocket tape recorder .. Calculator	10 40	} Reported to Police.
Social Welfare	Watsonia Institute of Social Welfare	Tape recorder	50		Police notified.
	Pentridge Prison	Tobacco	576	} Written off.
	Sunbury Farm	12 sheep	60	
	Various	Stores and equipment ..	435		Police notified in most cases.
State Rivers and Water Supply Commission	Various	Tools and equipment ..	2 290	All thefts reported to Police.
University of Melbourne ..	Veterinary Research Institute	Projector	180	Lost. Insurance claimed.
	Physics Annexe	Micro processor	315	} Stolen. Police advised.
	Economics and Commerce	5 calculators	235	
	Baillieu Library	Rare book "Birds of Ceylon"	794	
	Veterinary School, Werribee	Oil immersion lens ..	324	
	Biology	3 microscopes	450	
	Medley Building	Recorder	190	
	Architecture	Projector	189	
	Austin Hospital	Projector	326	
	Medical Centre	Microscope	130	
	Physical Sciences	Calculator	200	
	Old Arts Theatre	Cassette	187	
	Kombi Van	Equipment	1 090	
	Various	General equipment ..	2 330	

Internal Audit

In my previous Report, I referred to the desirability of extending the use of internal audit in departments and public authorities.

At present very few departments have sections undertaking any form of internal audit function. Even where such sections exist, their activities are frequently limited to internal revenue and stock checks. The situation in the authorities appears somewhat better as a number of the major authorities have a section carrying out recognised internal audit functions and reporting directly to senior management.

As government financial activities become increasingly complex, the need for internal audit, particularly in large organisations, becomes more urgent. I therefore again draw attention to the importance of internal audit as an aid to efficient and effective management and use of resources, and I recommend a wider use of internal audit in relation to the financial and related activities of the State.

Acknowledgment

On 1 April 1978, Mr. J. W. Woods retired from the position of Assistant Auditor-General after 44 years valued service in the Victorian Public Service. The vacancy was filled by the promotion of Mr. A. M. Meggs, Senior Auditor. The vacancy arising from the promotion of Mr. Meggs and a further vacancy occasioned by the sad loss through death of Mr. E. J. Davie, Senior Auditor, were filled by the promotion of Messrs. N. N. Eyre and F. Belli.

I express my thanks to Messrs. Woods and Meggs and other members of the Audit Office for their co-operation and assistance generously given to me in the discharge of my duties as Auditor-General.

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

B. J. WALDRON,
Auditor-General.

Melbourne, 1978.

STATEMENT No. 1

A comparison, on a monetary and proportional basis, of expenditure from the Consolidated Fund* in 1977-78 with that in the previous year is given below :—

Nature of Expenditure	1976-77		1977-78	
	Amount	Percentage of Funds Available	Amount	Percentage of Funds Available
Social—	\$	%	\$	%
Education, Health and the Environment, Housing, Welfare, Payments to Hospitals and Charities Fund, etc.	1 535 424 479	51·46	1 747 164 354	52·62
†Debt Charges—				
Interest, Sinking Fund, Repayments, (including Housing and Soldier Settlement) ..	296 760 953‡	9·95	336 535 503	10·14
Transport—				
Railways—				
§Working Expenses and Expenditure from Works and Services Account	334 710 534	11·22	368 299 592	11·09
Pensions	16 262 890	·54	19 591 053	·59
Melbourne and Metropolitan Tramways Board—Advances	27 331 018	·92	28 041 000	·85
Other—Ministry of Transport, (including Subsidies to Private Bus Operators etc.)	8 413 574	·28	10 052 084	·30
Primary Production—				
Agriculture, Lands, Soldier Settlement, Forests, Country Water Supply, etc.	184 820 928	6·19	198 850 649	5·99
Law and Order—				
Law, Police, Prisons, etc.	174 988 957	5·86	194 028 154	5·84
State Electricity Commission—				
Advances	14 000 000	·47	..	..
Melbourne and Metropolitan Board of Works—				
Advances	42 100 000	1·41	26 500 000	·80
Other Public Works and Services—				
Works and Advances	37 605 729	1·26	37 178 180	1·12
Pensions—				
Retired Officers, Officers' Widows, etc. excluding Railways, (including costs of administration)	52 814 583	1·77	66 185 057	1·99
Other Expenditure	232 981 655	7·81	270 447 431	8·14
Total Expenditure	2 958 215 300	99·14	3 302 873 057	99·47
Funds retained in the Works and Services Account	25 555 675	·86	17 573 193	·53
Total Funds Available	2 983 770 975	100·00	3 320 446 250	100·00

* Includes expenditure through the Works and Services Account.

† Includes Railway Debt Charges.

‡ Includes payments of \$13 436 976 to the Commonwealth, on account of loans and advances, provided under Treasury Vote, Division 401—classified in Statement No. 1 in last year's Report under Other Expenditure.

§ Excludes Debt Charges.

STATEMENT No. 2

ABSTRACT OF LOAN TRANSACTIONS FOR THE YEAR 1977-78

Receipts—

Proceeds of Loans Raised—						\$	\$
For Works, etc.	..	..	..	..	..	240 142 000	
For Redemption	..	..	..	..	..	327 118 099	
Loan Repayments	..	..	..	..	..	14 861 887	
						<u> </u>	<u>582 121 986</u>

Disbursements—

Paid to the Consolidated Fund	..	..	..	..	..	255 003 887	
Applied to Redemption	..	..	..	..	..	327 118 099	
						<u> </u>	<u>582 121 986</u>

LIABILITY FOR LOANS

						\$	\$	
Liability to Commonwealth at 30 June 1977	..	..	..	..	..	..	3 031 771 405
Loans raised in 1977-78—								
For Works	..	..	..	..	..	240 142 000	
For Redemption	..	..	..	..	..	327 132 270	
						<u> </u>	<u>567 274 270</u>	
							<u>3 599 045 675</u>	
<i>Deduct—</i>								
Loans Repurchased or Redeemed—								
By Redemption Loans	..	..	..	..	..	326 482 600	
By National Debt Sinking Fund	..	..	..	..	..	28 410 341	
						<u> </u>	<u>354 892 941</u>	
							<u>3 244 152 734</u>	
<i>Add—</i>								
Increase in Public Debt during 1977-78 due to variations in exchange rates for conversion of face value of overseas securities to Australian currency						493 008
							<u> </u>	
Liability to Commonwealth at 30 June 1978	..	..	..	..	..	..	3 244 645 742
Less Cash at credit of National Debt Sinking Fund	..	..	..	..	..	..	21 432 336
							<u> </u>	
Net Liability to Commonwealth at 30 June 1978	..	..	..	..	..	..	3 223 213 406
							<u> </u>	
Net Liability to Commonwealth at 30 June 1977	..	..	..	..	..	..	3 023 970 121
							<u> </u>	
Increase in Net Liability for the year	..	..	..	..	..	..	199 243 285
							<u> </u>	

There is additional liability to the Commonwealth in respect of advances for housing purposes under Commonwealth-State Housing Agreements and, also, in respect of advances and loans made to the State for a variety of purposes pursuant to Commonwealth-State agreements and arrangements.

STATEMENT No. 3

TRUST FUND

The Treasurer's liability on account of the Trust Fund, at 30 June 1978, was—

<i>Various funds as per Treasurer's Statement—</i>							\$
Amounts lodged and invested	..	..	..	..	..	..	97 154 441
General Account balances	..	..	..	..	..	..	215 709 304*
							<hr/>
							312 863 745
 <i>Represented by :</i>							
<i>Stocks and Securities—</i>							
Bank Term Deposits	..	..	..	..	..	..	42 063 630
Blue Moon Fruit Co-operative Ltd.—Shares	..	..	..	..	..	..	20
Camperdown—Glenormiston Dairying Co. Ltd.—Shares	..	..	..	..	..	..	140
Commonwealth Government Inscribed Stock etc.	..	..	..	..	..	..	15 361 739
Convertible Certificates of Deposit	..	..	..	..	..	..	20 665 000†
Gas and Fuel Corporation Registered Debenture Stock	..	..	..	..	..	..	1 882 600
Gas and Fuel Corporation of Victoria—Shares	..	..	..	..	..	..	15 643 716
Grain Elevators Board Inscribed Stock	..	..	..	..	..	..	68 000
Kyabram Co-operative Fruit Preserving Co. Ltd.—Shares	..	..	..	..	..	..	8 566
Melbourne Harbor Trust Inscribed Stock	..	..	..	..	..	..	90 000
Melbourne and Metropolitan Board of Works Inscribed Stock etc.	..	..	..	..	..	..	6 597 660
Pilot Vessels—Registered Mortgage Debentures	..	..	..	..	..	..	57 000
State Electricity Commission Inscribed Stock etc.	..	..	..	..	..	..	4 815 750
State Savings Bank Deposit Stock	..	..	..	..	..	..	195 820
							<hr/>
							107 449 641
 <i>Cash Advanced—</i>							\$
For Deficits incurred to 30 June 1970	..	..	..	..	..	..	21 782 281
For Other Advances	..	..	..	..	..	..	8 088 135
							<hr/>
							29 870 416
Cash as per Treasurer's Statement	..	..	..	..	..	..	175 543 688
							<hr/>
							312 863 745
							<hr/>

* Includes balances invested on account of the Treasurer's Investment Account—General, \$10 295 200.

† Includes discounts of \$1 113 591 taken up in respect of Deposits purchased at a discount and maturing at varying dates up to 17 September 1979.

DEBT CHARGES ACCOUNT

The following particulars have been compiled from the Treasurer's Statement with the object of indicating the portion of the Receipts which may be regarded as having been available to meet the Debt Charges paid for the year 1977-78.

Receipts		\$	Payments		\$
<i>Paid to the Consolidated Fund on account of Interest,</i>					
<i>Sinking Fund etc. on Advances from the State—</i>					
State Electricity Commission	25 831 392				
Melbourne and Metropolitan Board of Works..	14 742 612			238 005 456	
Housing Commission	3 493 985			1 442 467	
Water, Sewerage, etc. Authorities	2 991 549				
Country Roads Board	2 922 842				
Rural Finance and Settlement Commission ..	2 393 856			239 447 923	
Victorian Development Corporation	1 979 519			1 103 006	
Home Builders	1 419 279				240 550 929
Land Settlement	784 612				33 457 674
Other Authorities	2 266 046				97 949
		58 825 692			
<i>Paid to the Consolidated Fund—Other Interest—</i>					
Interest on Public Account	23 157 323				
Less—Interest paid on Deposits	2 986				
		23 154 337			
		81 980 029			
<i>Paid to the Consolidated Fund—Recoup of Interest,</i>					
<i>Principal etc.—Other Loans.</i>					
Commonwealth—State Housing Agreement—				47 656 354	
Housing Commission	35 567 986				629 339
Home Builders' Account	12 088 368				7 372 430
		47 656 354			3 233 398
Commonwealth—Special Assistance Loans for				662 813	
Soldier Settlement	629 339			1 206 235	
National Sewerage Program	7 268 717			758 581	
Rural Reconstruction	3 233 398			903 359	
Shepparton Preserving Company	681 188			6 442	
Marginal Dairy Farms	1 206 235				
Fruit Canneries	1 042 763				
Beef Industry	6 442				
		61 724 436			62 428 951
<i>Balance—Amount which had to be met from Taxation</i>					
and other sources		192 831 038			
		336 535 503			

COUNTRY WATER SUPPLY

RECEIPTS AND PAYMENTS 1977-78

Receipts		Payments	
	\$	<i>Charged to the Consolidated Fund—</i>	\$
<i>Debt Charges—</i>		Special Appropriation—	
Water Trusts and Other Corporations, etc	2 604 139	Pensions	2 153 528
		National Debt Sinking Fund	1 252 624
<i>Rates, etc.—</i>		Interest	39 054 220
Coliban	1 578 706	Exchange	34 418
Irrigation Districts	12 943 417	Loan Conversion Expenses	13 268
Waterworks Districts	3 612 951		<u>42 508 058</u>
Rural Districts	289 229	Maintenance and Renewals Account	350 923
Urban Districts	7 382 109	I.D.M.E.R. Account	19 999
Flood Protection Districts	161 857		<u>42 878 980</u>
Miscellaneous	819 788		
	<u>26 788 057</u>	<i>Vote—</i>	
<i>Recoups of Amounts paid from the Consolidated Fund</i>	10 072 479	Salaries and payments in the nature of salaries	22 764 175
	<u>36 860 536</u>	General Expenses	7 816 536
		Coliban Districts	529 000
		Irrigation and Drainage Districts	5 480 135
		Waterworks Districts	3 168 300
		Flood Protection Districts	106 736
		Removal of Sand Drift	163 826
		Private Diversions including Headworks	158 782
			<u>40 187 490</u>
<i>Loan Repayments</i>	563 589		
		Works and Services Account—	
		Trusts, etc. (for Advances)	5 925 075
		Districts	37 558 280
		Plant and Machinery	150 430
			<u>43 633 785</u>
Net Outgoing	<u>86 671 991</u>		
	<u>126 700 255</u>		<u>126 700 255</u>

APPENDIX A-1

ENDOWMENTS AND GRANTS

	1976-77	1977-78	+ Increase - Decrease
	\$	\$	\$
Social—			
Alexander Miller Memorial Homes Trust	5 000	5 000	..
Anti-Cancer Council of Victoria	25 000	30 000	+ 5 000
Austcare Appeal	22 500	22 500	..
Australia Day Council	10 000	11 500	+ 1 500
Australian Council for Educational Research	59 616	71 760	+ 12 144
Australian Crime Prevention Council	1 000	1 000	..
Australian Dental Association—Jubilee Congress .. ..	..	6 000	+ 6 000
Australian Institute of Urban Studies	12 500	..	- 12 500
Australian Kidney Foundation	21 500	25 000	+ 3 500
Baker Medical Research Institute	37 500	45 000	+ 7 500
Buoyancy Foundation of Victoria	15 000	15 000	..
Bush Nursing Hospitals	476 375	470 000	- 6 375
Catholic Family Planning Centre	1 000	1 000	..
Co-operative Federation of Victoria	2 000	2 000	..
Deafness Foundation (Victoria)	5 000	10 000	+ 5 000
Early Planning for Retirement Association .. ..	..	3 000	+ 3 000
Environment Studies Association of Victoria	20 000	20 000	..
Family Life Movement .. ..	..	5 000	+ 5 000
Family Planning Association of Australia	20 000	22 500	+ 2 500
Freedom from Hunger Campaign	20 000	22 500	+ 2 500
Guide Dog Owners and Friends Association	2 000	2 000	..
Herald Parcels for Pensioners Appeal	3 000	3 000	..
Howard Florey Institute of Experimental Physiology and Medicine	140 000	155 000	+ 15 000
Inter-church Trade and Industry Mission (Victoria)	12 500	12 500	..
International Association for Accident and Traffic Medicine	10 000	..	- 10 000
International Committee on Alcohol and Traffic Safety and International Association for Accident and Traffic Medicine	10 000	..	- 10 000
International Conference on Natural Family Planning .. ..	..	10 000	+ 10 000
Moreland Hall Alcoholism Rehabilitation Centre	15 000	15 000	..
National Heart Foundation—National Blood Pressure Study	15 000	15 000	..
National Heart Foundation—Victorian Division .. ..	..	15 000	+ 15 000
National Neurological Foundation	12 500	12 500	..
National Safety Council	24 000	24 000	..
National Vision Research Institute of Australia	25 000	25 000	..
Over Fifties Association	1 500	2 000	+ 500
Peninsula Ambulance Service	30 000	30 000	..
Prince Henry's Medical Research Institute	32 500	40 000	+ 7 500
Royal Australasian College of Surgeons—Road Trauma Trust Appeal	20 000	..	- 20 000
Royal Humane Society of Australasia	3 500	1 000	- 2 500
St. John Ambulance Brigade	14 000	39 000	+ 25 000
Science and Technology Careers Bureau	4 396	..	- 4 396
Specific Learning Difficulties Association of Victoria	9 334	9 334	..
State Relief Committee	125 000	145 000	+ 20 000
9th International Congress on Child Psychiatry and Allied Professions .. ..	..	15 000	+ 15 000
United Nations Association of Australia	3 000	3 000	..
Victoria Conservation Trust	40 000	65 000	+ 25 000
Victorian Association of Occupational Therapists	1 000	..	- 1 000
Victorian Autistic Childrens Association .. ..	..	5 000	+ 5 000
Victorian Bush Nursing Association	8 000	8 000	..
Victorian Council on the Ageing	6 500	20 000	+ 13 500
Victorian Family Council .. ..	..	3 000	+ 3 000
Victorian Foundation on Alcoholism and Drug Dependency	45 000	50 000	+ 5 000
Victorian National Parks Association	5 000	5 000	..
Victorian Nursing Council	22 000	22 000	..
Victorian Parents' Council	5 000	5 000	..
Victorian Playgroup Association .. ..	..	5 875	+ 5 875
Walter and Eliza Hall Research Institute	325 000	360 000	+ 35 000
Young Farmers' Clubs Association	150 359	161 300	+ 10 941

ENDOWMENTS AND GRANTS—*continued*

	1976-77	1977-78	+Increase —Decrease
	\$	\$	\$
Cultural—			
Art Foundation of Victoria	410 000	500 000	+ 90 000
Australian National Memorial Theatre, Schools .. .. .	..	73 750	+ 73 750
Children's Free Libraries	10 000	10 000	..
Country Art Galleries	306 312	429 406	+ 123 094
Country Free Libraries	19 000	19 000	..
Cultural Development	2 175 193	2 477 090	+ 301 897
Melbourne Symphony Orchestra	100 000	150 000	+ 50 000
Municipal and Regional Libraries	9 578 027	10 749 230	+1 171 203
Orchestral Concerts	61 381	61 063	— 318
Sidney Myer Music Bowl Trust	16 000	16 000	..
Victorian Concert Orchestra	38 000	45 500	+ 7 500
Victorian Art Purchase Fund—Caltex	6 000	6 000	..
Victorian College of the Arts—Drama School	21 254	..	— 21 254
Victorian College of the Arts—School of Dance	50 000	89 550	+ 39 550
Victorian College of the Arts—Opera School .. .. .	..	32 000	+ 32 000
Sundry—			
Advisory Council for Inter-Government Relations .. .. .	..	30 000	+ 30 000
Animal Welfare League	2 000	2 000	..
Association of Apex Clubs—1978 Convention	5 000	5 000	..
Australian Fire Protection Association	1 000	1 000	..
Australian and New Zealand Association for the Advancement of Science	25 000	..	— 25 000
Australian Plague Locust Commission	50 000	70 000	+ 20 000
Australian Plant Pathology Society .. .. .	..	6 000	+ 6 000
Australian Sheep Breeders' Association	5 000	5 000	..
Ballarat Fish Acclimatization Society	2 400	2 400	..
British Commonwealth Day Movement	500	500	..
British Memorial Foundation	200	200	..
Cemeteries, Improvement and Maintenance	15 000	16 000	+ 1 000
Chartered Institute of Transport	1 500	1 500	..
City of Sale Oil and Gas Display Centre	39 472	..	— 39 472
Commonwealth Parliamentary Association—Victoria Branch	62 175	72 450	+ 10 275
Community Committee on Tenancy Law Reform .. .. .	..	1 000	+ 1 000
Conservation Council of Victoria	9 828	10 000	+ 172
Corps of Commissionaires (Victoria)	5 000	..	— 5 000
Council for Christian Education in Schools	100 000	115 000	+ 15 000
Council of Tramway Museums of Australasia .. .. .	..	1 800	+ 1 800
Decentralization and Development League	1 000	1 500	+ 500
Federation of Victorian Walking Clubs	750	750	..
Field Naturalists Club of Victoria	1 500	1 500	..
Fifth Annual Symposium on Forensic Sciences, Melbourne, 1977	1 000	..	— 1 000
Fitzroy Adventure Playground	3 200	8 229	+ 5 029
Goulburn Valley Driver Training Complex	64 300	..	— 64 300
Great Circle Yacht Race .. .. .	..	25 000	+ 25 000
Industrial Design Council of Australia	25 000	40 000	+ 15 000
International Conference on Developments in Land Methods of Wastewater Treatment and Utilization .. .. .	..	5 000	+ 5 000
Joint American and Australian Mining and Metallurgy Conference .. .. .	..	5 000	+ 5 000
Keep Australia Beautiful Council	35 000	40 000	+ 5 000
Kerang Agricultural Research Farm	1 500	6 000	+ 4 500
Mansfield Autistic Play School	20 000	17 000	— 3 000
Matthew Flinders Bi-Centenary Scientific Scholarship	3 500	4 000	+ 500
Melbourne to Hobart West Coaster Yacht Committee	5 000	32 500	+ 27 500
Montefiore Homes 77 Survival Appeal	25 000	..	— 25 000
Murray Valley Development League	4 000	5 000	+ 1 000
National Council of Women of Victoria	10 000	10 000	..
National Trust of Australia (Victoria)	40 000	45 000	+ 5 000
National Resources Conservation League	10 000	10 000	..
Nurses' Memorial Centre	6 000	6 000	..
Old Colonists' Association of Victoria	30 000	..	— 30 000

ENDOWMENTS AND GRANTS—*continued*

	1976-77	1977-78	+ Increase - Decrease
	\$	\$	\$
150th Anniversary of the First Permanent Settlement at Corinella	2 000	..	- 2 000
Peninsula Conservation League	2 500	..	- 2 500
Peter Crimmins Cancer Research Fund	5 000	..	- 5 000
Premier Town Contest	4 000	4 000	..
Productivity Promotion Council of Australia	1 000	1 000	..
Queen's Silver Jubilee Appeal	250 000	..	- 250 000
Royal Institute of Public Administration	600	600	..
Royal Society for the Prevention of Cruelty to Animals ..	6 500	50 000	+ 43 500
Royal Victorian Association of Honorary Justices ..	1 500	2 000	+ 500
Rumanian Earthquake Appeal	5 000	..	- 5 000
Standards Association of Australia	11 000	12 000	+ 1 000
Swan Hill Irrigators' Research Farm .. .. .	..	8 000	+ 8 000
Timber Promotion Council	30 000	30 000	..
Trustees, Shrine of Remembrance	9 000	18 450	+ 9 450
Turkish Disaster Relief Appeal	5 000	..	- 5 000
Vith World Lithuanian Scouts Jamboree .. .. .	..	4 000	+ 4 000
United World Colleges (Australia) Trust	7 000	7 000	..
Victorian Football Association Centenary Celebrations ..	..	4 000	+ 4 000
Victorian Irrigation Research and Promotion	3 000	3 000	..
Victorian Medical Post-Graduate Foundation	15 000	15 000	..
Victorian Public Interest Research Group Ltd. .. .. .	..	11 000	+ 11 000
Victorian Rural Fire Brigades Association	12 500	13 000	+ 500
Victorian Urban Fire Brigades Association	12 500	12 500	..
Water Research Foundation of Australia Ltd.	15 000	15 000	..
Working Women's Centre	500	..	- 500
Y's Mens International Convention .. .. .	..	10 000	+ 10 000
Zoological Board of Victoria	330 000	450 000	+ 120 000
Zoological Board of Victoria, Werribee Fauna Park ..	..	92 082	+ 92 082
	16 004 672	18 095 819	+2 091 147

In addition to the endowments and grants out of the Consolidated Fund, listed above, grants were made available to various youth and sporting organizations from the Youth Fund and the Sports and Recreation Fund administered by the Department of Youth, Sport and Recreation.

APPENDIX A-2

TOURIST FUND

SPECIAL GRANTS TO APPROVED BODIES—1977-78

	\$
Association of Apex Clubs.. .. .	5 000
City of Mildura (Tourist Information Centre)	35 333
Host Farms Association	5 077
Melbourne Tourist Authority	374 071
Mount Macedon Memorial Cross Committee	4 000
Phillip Island Koala Reserves Committee of Management	14 000
Princes Highway Promotion Committee	15 000
R. Wearing (Study of Tourism in Bright)	1 489
Shire of Phillip Island (Tourist Information Centre)	30 000
Standing Advisory Committee on Caravanning and Camping	3 620
Sun Centre Tourism Co. (Swan Hill)	1 822
Town of Stawell	9 000
Walton's Ltd. (Quest of Quests)	65 000
West Victoria Promotion Committee	10 000
	573 412

LOANS TO CERTAIN BODIES—1977-78

Tourist Fund—General

	\$
Borough of Port Fairy	52 000
Borough of Queenscliffe	50 000
City of Warrnambool	52 000
Shire of Ballarat	20 000
Shire of Bass	30 000
Shire of Buln Buln	2 500
Shire of Cohuna	30 000
Shire of Cranbourne	7 000
Shire of Creswick.. .. .	10 500
Shire of Kaniva	20 000
Shire of Stawell	10 000
Shire of Warracknabeal	10 000
	294 000

In respect of a total amount of \$1 255 847 advanced by way of loan from the Tourist Fund, a sum of \$875 449 was still to be repaid at 30 June 1978.

APPENDIX B

STATEMENT OF STORES HELD FOR ISSUE BY GOVERNMENT
DEPARTMENTS AND PUBLIC AUTHORITIES, AS ADVISED PURSUANT TO
REGULATION 138(4) OF THE PUBLIC ACCOUNTS AND STORES REGULATIONS 1958.

Department or Public Authority.	Nature of Stores.	Value as at 30 June 1977	Value as at 30 June 1978
		\$	\$
Departments—			
Agriculture	Machinery and Equipment Parts, Fuel, Seed, Publications	859 995	921 551
Chief Secretary—			
Police	Radio and Vehicle Parts, Clothing, Office Requisites	1 036 292	1 252 603
Conservation—			
Fisheries and Wildlife Division	Publications, Motor Tyres, Field Equipment ..	49 338	54 348
Land Conservation Council	Stationery, Publications	17 942	13 141
Crown Lands and Survey	Implements, Equipment, Plans, Photographic Materials	2 204 745	2 567 971
Education	School and Office Requisites, Books, Equipment	2 832 301	2 768 911
Forests	Vehicle Parts, Tools, Fuel	175 421	189 662
Health	Hardware, Instruments, Drugs	249 425	298 509
Mental Health Authority	Hardware, Clothing, Equipment	1 036 432	1 138 069
Minerals and Energy	Bore Casing, Tools, Chemicals	556 075	640 518
Public Works	Mechanical and Electrical Equipment, Spare Parts, Furniture, Building Materials	2 803 573	2 626 161
Railways	Engineering, Refreshment Services, General Stores	14 136 889	11 334 069
Social Welfare	Clothing, Hardware, Materials	790 213	882 838
Treasurer—Government Printer	Paper, Stationery, Publications	3 235 685	3 012 321
Water Supply	Machinery Parts, Tools, General Stores ..	2 634 370	3 117 437
Public Authorities—			
Cancer Institute	Medical, Technical and General Stores ..	150 074	196 442
Council of Adult Education	Theatrical and Audio Visual Equipment ..	39 700	42 500
Country Fire Authority	Fire Appliances, Hose, Spare Parts, Uniforms	215 723	376 550
Country Roads Board	Vehicle Parts and Accessories, Camping Equipment, General Stores	2 103 543	2 220 209
Egg Marketing Board	Eggs, Packing Materials, Egg Products ..	900 784	1 379 676
Gas and Fuel Corporation	Gas Appliances, Fittings, General Stores ..	14 303 906	13 450 604
Geelong Harbor Trust	Engineering and Maintenance Stores ..	74 819	68 068
Housing Commission	Building Materials, Stationery, Fuel	695 047	1 009 339
La Trobe University	Stationery, Office Requisites	69 104	60 310
Latrobe Valley Water and Sewerage Board..	Construction Materials, Pipes	6 207	7 729
Melbourne and Metropolitan Board of Works	Engineering Stores, Spare Parts, Pipes, Meters	11 639 000	11 992 000
Melbourne and Metropolitan Tramways Board	Engineering Stores and Parts, Uniforms	1 893 650	1 934 100
Melbourne Harbor Trust	Maintenance and Engineering Stores ..	2 608 740	2 623 456
Metropolitan Fire Brigades Board.. .. .	Fire Appliances, Electrical and Engineering Stores, Uniforms	567 000	659 000
Monash University	Building Materials, Stationery, Books, Chemicals	1 158 550	1 254 852
Portland Harbor Trust	Maintenance and Engineering Stores ..	78 354	78 042
Rural Finance Commission	Constructional and General Stores	29 616	24 723
State Electricity Commission	Electrical, Maintenance and Constructional Stores	21 247 411	24 310 033
State Relief Committee	Clothing, Bedding, Hardware	76 100	84 456
Transport Regulation Board	Stationery and Office Requisites	95 706	96 918
University of Melbourne	Building Materials, Stationery	137 264	154 204
	Total	90 708 994	92 841 320

APPENDIX C.

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

Particulars	Vote			Parliamentary Appropriation	Appropriation after Variation by Governor in Council	+ Increase - Decrease	
	Division	Sub- Division	Item			\$	\$
PREMIER							
GOVERNOR'S OFFICE	120						
		1	2	410 235	411 826	+	1 591
			4	6 000	4 409	-	1 591
		2	1	1 550	1 855	+	305
			2	8 000	9 608	+	1 608
			4	14 600	12 687	-	1 913
PREMIER'S OFFICE	121						
		2	2	208 000	132 483	-	75 517
			3	45 950	76 905	+	30 955
			4	52 300	64 464	+	12 164
			6	3 700	4 843	+	1 143
			7	4 500	7 817	+	3 317
			10	136 600	164 538	+	27 938
		3	1	53 200	6 819	-	46 381
			3	275 000	282 978	+	7 978
			4	235 000	279 920	+	44 920
			5	28 000	8 258	-	19 742
			6	10 000	-	-	10 000
			7	10 000	26 390	+	16 390
			8	112 700	105 834	-	6 866
			10	87 000	81 860	-	5 140
			11	2 000	633	-	1 367
			12	35 500	9 109	-	26 391
			13	6 200	66	-	6 134
			16	13 000	25 450	+	12 450
			18	431 900	529 790	+	97 890
			19	232 200	174 386	-	57 814
			20	210 000	260 977	+	50 977
			21	7 525	770	-	6 755
			22	40 000	23 172	-	16 828
			23	394 000	366 813	-	27 187
PUBLIC SERVICE BOARD	136						
		2	1	32 000	28 743	-	3 257
			2	71 000	90 347	+	19 347
			4	16 500	13 669	-	2 831
			8	362 700	349 441	-	13 259
		3	1	30 650	34 580	+	3 930
			2	237 300	233 370	-	3 930
PUBLIC SERVICE BOARD ELECTRONIC DATA PROCESSING SERVICE BUREAU	139						
		1	2	1 122 460	1 126 231	+	3 771
			4	5 000	1 229	-	3 771
AUDIT OFFICE	142						
		1	2	1 790 000	1 767 059	-	22 941
			4	27 000	49 941	+	22 941
						±	359 615
ARTS							
MINISTRY FOR THE ARTS	150						
		2	2	6 300	8 147	+	1 847
			3	9 200	7 353	-	1 847
		3	1	354 400	381 685	+	27 285
			2	2 500 000	2 477 090	-	22 910
			4	68 000	61 054	-	6 946
			10	257 000	267 000	+	10 000
			12	30 000	22 571	-	7 429
NATIONAL GALLERY	152						
		1	3	213 000	211 148	-	1 852
			4	7 000	8 852	+	1 852
STATE FILM CENTRE	154						
		2	1	5 450	7 276	+	1 826
			5	3 600	5 300	+	1 700
			8	3 700	2 623	-	1 077
			9	221 700	219 251	-	2 449
STATE LIBRARY	156						
		1	2	2 793 051	2 799 916	+	6 865
			3	92 000	97 441	+	5 441
			4	20 000	7 694	-	12 306
STATE LIBRARY, NATIONAL MUSEUM AND SCIENCE MUSEUM ADMINISTRATION	157						
		1	2	711 654	716 292	+	4 638
			3	64 700	68 585	+	3 885
			4	25 000	16 477	-	8 523
NATIONAL MUSEUM	158						
		1	2	566 982	571 982	+	5 000
			3	5 000	..	-	5 000
SCIENCE MUSEUM	159						
		1	2	289 793	291 654	+	1 861
			3	4 800	2 939	-	1 861
						±	72 200
CHIEF SECRETARY							
CHIEF SECRETARY'S OFFICE	160						
		2	1	6 000	6 280	+	280
			2	10 380	11 778	+	1 398
			7	5 000	3 602	-	1 398
			8	21 900	21 620	-	280
		3	2	500 000	504 065	+	4 065
			8	5 500	9 400	+	3 900
			12	60 000	52 035	-	7 965

APPENDIX C.—continued.

Particulars	Vote			Parliamentary Appropriation	Appropriation after Variation by Governor in Council	+ Increase - Decrease	
	Division	Sub- Division	Item			\$	\$
CHIEF SECRETARY—continued.							
STATE EMERGENCY SERVICE	165	2	2 4 5 8	13 800 34 750 53 600 62 440	11 970 41 580 57 600 53 440	- + + -	1 830 6 830 4 000 9 000
REGISTRAR OF ESTATE AGENTS, MONEY LENDERS AND FINANCE BROKERS	167	2	3 4	2 810 1 100	2 610 1 300	- +	200 200
GOVERNMENT STATIST	184	2	2 4 6 7	86 600 63 000 8 000 6 800	97 901 56 308 5 371 4 820	+ - - -	11 301 6 692 2 629 1 980
POLICE	187	1 2	2 4 1 4 6 11 12 14	113 825 733 1 600 000 1 591 600 2 155 500 857 800 176 100 96 000 12 500	113 924 763 1 500 970 1 522 554 2 167 204 897 748 170 669 120 000 11 325	+ - - + + - + -	99 030 99 030 69 046 11 704 39 948 5 431 24 000 1 175
PUBLIC RECORD OFFICE	204	2	3 6 8 9	10 500 24 600 44 500 8 000	6 697 22 960 46 152 11 791	- - + +	3 803 1 640 1 652 3 791
						± 212 099	
SOCIAL WELFARE							
SOCIAL WELFARE ADMINISTRATION AND RESEARCH AND STATISTICS	240	2 3	1 3 4 5 8 2 3 5 7 8 10	15 000 18 300 148 000 33 400 23 700 13 300 000 2 874 000 900 000 77 800 2 800 1 200	23 187 10 943 144 744 38 641 20 885 13 353 993 2 843 384 874 133 60 862 8 400 15 028	+ - - + - + - - - + + +	8 187 7 357 3 256 5 241 2 815 53 993 30 616 25 867 16 938 5 600 13 828
REGIONAL SERVICES	244	2	1 4 6 7 9 10	177 100 136 500 24 200 30 700 846 800 8 942 750	175 958 130 997 21 010 26 741 770 114 9 033 230	- - - - - +	1 142 5 503 3 190 3 959 76 686 90 480
FAMILY WELFARE	246	1 2	2 3 4 4 5 7 9	6 557 500 784 000 40 000 58 000 33 700 911 500 9 120 000	6 517 792 809 161 54 547 60 660 40 736 917 881 9 103 923	- + + + + + -	39 708 25 161 14 547 2 660 7 036 6 381 16 077
YOUTH WELFARE	249	1 2	2 3 4 7 8 9 10	4 869 000 892 000 50 000 804 800 10 500 1 230 000 91 000	4 859 794 927 899 23 307 802 857 26 170 1 237 490 69 783	- + - - + + -	9 206 35 899 26 693 1 943 15 670 7 490 21 217
CORRECTIONAL SERVICES	252	1 2	3 4 1 4 7 8 9 10	2 552 000 250 000 64 200 67 700 961 000 3 500 728 500 301 000	2 672 488 129 512 96 864 73 226 1 050 644 6 255 590 473 308 438	+ - + + + + - +	120 488 120 488 32 664 5 526 89 644 2 755 138 027 7 438
TRAINING	255	2	1 7	48 700 88 150	69 117 67 733	+ -	20 417 20 417
						± 571 105	
YOUTH, SPORT AND RECREATION							
YOUTH, SPORT AND RECREATION	270	2	1	40 600 56 000	36 857 59 743	- +	3 743 3 743
						± 3 743	

APPENDIX C.—continued.

Particulars	Vote			Parliamentary Appropriation	Appropriation after Variation by Governor in Council	+ Increase - Decrease	
	Division	Sub- Division	Item			£	£
LABOUR AND INDUSTRY							
LABOUR AND INDUSTRY	280						
		2	3	9 400	10 500	+	1 100
			5	42 700	43 700	+	1 000
			8	15 100	13 000	-	2 100
		3	1	11 500	12 000	+	500
			2	6 000	6 500	+	500
			3	7 500	7 000	-	500
			4	500	900	+	400
			7	4 000	3 100	-	900
						±	3 500
CONSUMER AFFAIRS							
MINISTRY OF CONSUMER AFFAIRS	285						
		2	1	17 800	19 615	+	1 815
			2	13 400	15 000	+	1 600
			5	8 700	8 200	-	500
			8	22 650	19 735	-	2 915
						±	3 415
EDUCATION							
EDUCATION ADMINISTRATION	301						
		2	1	262 000	305 909	+	43 909
			2	543 700	546 171	+	2 471
			4	850 200	890 616	+	40 416
			5	43 400	48 312	+	4 912
			6	83 700	89 254	+	5 554
			7	342 000	214 665	-	127 335
			8	199 400	214 514	+	15 114
			13	12 000	19 085	+	7 085
			15	310 500	318 374	+	7 874
		3	2	26 159 000	26 837 782	+	678 782
			5	3 599 000	3 643 990	+	44 990
			6	25 470 000	25 132 888	-	337 112
			15	1 471 000	1 512 056	+	41 056
			27	45 400 000	45 053 527	-	346 473
			28	820 000	710 683	-	109 317
			29	200 000	228 074	+	28 074
TEACHER EDUCATION	304						
		1	2	2 860 000	2 851 830	-	8 170
			4	50 000	58 170	+	8 170
		2	6	24 200	21 705	-	2 495
			13	81 400	83 895	+	2 495
PRIMARY EDUCATION	305						
		2	1	545 000	535 996	-	9 004
			3	269 700	262 882	-	6 818
			8	75 300	92 617	+	17 317
			9	672 000	661 675	-	10 325
			10	34 700	32 840	-	1 860
			12	170 000	167 837	-	2 163
			13	13 381 000	13 393 853	+	12 853
SECONDARY EDUCATION	306						
		2	1	532 200	528 115	-	4 085
			8	50 600	66 820	+	16 220
			10	1 726 000	1 717 289	-	8 711
			13	11 897 000	11 772 945	-	124 055
			14	12 997 000	13 117 631	+	120 631
SPECIAL EDUCATION	308						
		1	2	18 670 409	18 686 637	+	16 228
			4	150 000	133 772	-	16 228
		2	1	246 100	251 814	+	5 714
			3	9 200	246	-	8 954
			10	107 600	110 840	+	3 240
		3	2	74 800	75 968	+	1 168
			3	14 000	12 434	-	1 566
			4	340 600	369 117	+	28 517
			5	82 000	77 359	-	4 641
			6	105 000	102 500	-	2 500
			8	34 000	13 022	-	20 978
EDUCATION SPECIAL SERVICES	309						
		2	2	225 000	226 513	+	1 513
			3	89 000	85 000	-	4 000
			5	22 100	20 587	-	1 513
			8	23 500	27 500	+	4 000
TEACHERS TRIBUNAL	320						
		2	2	4 500	3 500	-	1 000
			3	2 500	1 356	-	1 144
			8	3 500	5 644	+	2 144
TEACHER REGISTRATION	321						
		1	2	109 555	114 145	+	4 590
			3	9 000	4 410	-	4 590
						±	1 165 037
ATTORNEY-GENERAL							
ATTORNEY-GENERAL	350						
		1	2	1 780 000	1 776 001	-	3 999
			3	16 200	20 199	+	3 999
		2	1	17 400	25 459	+	8 059
			2	32 000	34 297	+	2 297
			3	100 950	39 256	-	61 694
			5	5 000	6 420	+	1 420
			9	16 000	22 052	+	6 052
			10	40 000	83 866	+	43 866

APPENDIX C.—continued.

Particulars	Vote			Parliamentary Appropriation	Appropriation after Variation by Governor in Council	+ Increase — Decrease	
	Division	Sub- Division	Item			\$	\$
ATTORNEY-GENERAL—continued.							
PUBLIC SOLICITOR'S OFFICE	351	2	1	12 800	16 984	+	4 184
			2	7 700	6 199	—	1 501
			3	2 400	3 492	+	1 092
			4	32 800	35 456	+	2 656
			5	750	2 697	+	1 947
			8	48 400	67 489	+	19 089
			9	775 000	747 533	—	27 467
CROWN SOLICITOR'S OFFICE	353	1	2	1 831 162	1 873 547	+	42 385
			3	21 000	15 342	—	5 658
			4	50 000	13 273	—	36 727
		2	4	29 900	33 049	+	3 149
			9	745 000	741 851	—	3 149
COURTS ADMINISTRATION	356	1	3	131 500	147 187	+	15 687
			4	220 000	204 313	—	15 687
		2	1	648 500	595 966	—	52 534
			2	215 200	237 699	+	22 499
			3	92 700	72 211	—	20 489
			4	508 300	553 508	+	45 208
			5	51 400	48 607	—	2 793
			6	208 000	221 867	+	13 867
			7	26 000	22 989	—	3 011
			8	40 600	47 363	+	6 763
			10	152 500	144 964	—	7 536
			11	395 500	441 797	+	46 297
			13	843 000	794 729	—	48 271
REGISTRAR-GENERAL AND REGISTRAR OF TITLES ..	359	2	2	165 000	169 182	+	4 182
			4	147 600	137 097	—	10 503
			8	63 750	70 071	+	6 321
CORPORATE AFFAIRS OFFICE	362	1	2	2 222 470	2 228 826	+	6 356
			4	20 000	13 644	—	6 356
		2	1	226 300	221 217	—	5 083
			7	30 000	35 083	+	5 083
PUBLIC TRUSTEE	368	1	2	2 139 904	2 143 185	+	3 281
			4	30 000	26 719	—	3 281
		2	1	4 600	4 102	—	498
			7	6 600	7 098	+	498
						±	316 237
TREASURER							
TREASURY	400	1	2	1 342 000	1 326 707	—	15 293
			4	60 000	75 293	+	15 293
		2	2	57 000	50 400	—	6 600
			3	2 550	2 650	+	100
			7	98 000	104 500	+	6 500
		3	1	5 000		—	5 000
			2	12 000	7 084	—	4 916
			3	230 000	258 408	+	28 408
			6	15 000	9 222	—	5 778
			7	15 000	2 986	—	12 014
			8	70 000	62 831	—	7 169
			9	25 000	29 527	+	4 527
			12	11 000 000	11 002 632	+	2 632
			14	165 000	161 000	—	4 000
			17	30 000	38 798	+	8 798
			19	5 000	786	—	4 214
			61	160 000	158 726	—	1 274
PAYMENTS TO THE COMMONWEALTH GOVERNMENT ON ACCOUNT OF LOANS AND ADVANCES	401	3	6	3 145 000	3 233 400	+	88 400
			8	1 210 000	1 121 600	—	88 400
STATE SUPERANNUATION BOARD	415	2	5	1 200	3 679	+	2 479
			7	445 350	432 063	—	13 287
			9	50 000	60 808	+	10 808
TAXATION OFFICE	421	1	2	2 320 000	2 323 153	+	3 153
			4	40 000	36 847	—	3 153
		2	1	700	6 596	+	5 896
			2	69 500	68 420	—	1 080
			4	80 000	75 184	—	4 816
STAMP DUTIES	424	1	2	2 192 318	2 196 163	+	3 845
			3	24 000	14 060	—	9 940
			4	15 000	21 095	+	6 095
		2	1	8 750	7 050	—	1 700
			2	199 500	189 249	—	10 251
			4	106 000	95 267	—	10 733
			7	12 000	15 261	+	3 261
			8	10 350	8 143	—	2 207
			9	280 000	301 630	+	21 630
GOVERNMENT PRINTER	427	1	2	5 084 880	5 088 218	+	3 338
			4	140 000	136 662	—	3 338
						±	215 163

APPENDIX C.—continued.

Particulars	Vote			Parliamentary Appropriation	Appropriation after Variation by Governor in Council	+ Increase — Decrease	
	Division	Sub- Division	Item			\$	\$
CONSERVATION							
MINISTRY FOR CONSERVATION	435						
		2	1	20 600	24 281	+	3 681
			2	17 700	26 047	+	8 347
			9	71 500	59 472	—	12 028
ENVIRONMENT PROTECTION AUTHORITY	437						
		1	2	2 881 738	2 883 773	+	2 035
			4	5 000	2 965	—	2 035
		2	1	48 850	42 861	—	5 989
			2	65 000	49 772	—	15 228
			5	110 000	131 591	+	21 591
			9	547 000	554 437	+	7 437
			10	52 500	44 689	—	7 811
		3	1	3 000	4 232	+	1 232
			3	1 674 000	1 672 768	—	1 232
SOIL CONSERVATION AUTHORITY	439						
		1	2	2 311 000	2 309 089	—	1 911
			4	10 000	11 911	+	1 911
		2	3	36 750	26 050	—	10 700
			4	75 000	85 700	+	10 700
FISHERIES AND WILDLIFE	441						
		2	1	122 100	124 558	+	2 458
			3	9 650	7 192	—	2 458
LAND CONSERVATION COUNCIL	443						
		2	1	9 000	10 315	+	1 315
			2	10 000	13 765	+	3 765
			4	16 700	10 403	—	6 297
			5	7 700	6 462	—	1 238
			8	9 200	11 655	+	2 455
						±	66 927
LANDS							
CROWN LANDS ADMINISTRATION	450						
		1	2	5 071 482	5 110 096	+	38 614
			3	78 000	62 996	—	15 004
			4	110 000	86 390	—	23 610
		2	1	427 000	430 375	+	3 375
			8	43 650	40 275	—	3 375
		3	1	8 988 500	8 992 192	+	3 692
			2	5 000	1 308	—	3 692
SURVEY	456						
		1	2	3 844 621	3 846 131	+	1 510
			3	19 000	17 490	—	1 510
		2	1	320 000	325 311	+	5 311
			5	110 200	104 889	—	5 311
BOTANIC AND DOMAIN GARDENS AND NATIONAL HERBARIUM	459						
		1	2	788 001	792 025	+	4 024
			3	38 500	34 476	—	4 024
		2	1	6 450	5 350	—	1 100
			6	17 250	18 350	+	1 100
						±	57 626
PUBLIC WORKS							
PUBLIC WORKS	480						
		2	1	511 500	516 170	+	4 670
			3	22 950	25 379	+	2 429
			7	81 000	62 466	—	18 534
			8	112 550	123 985	+	11 435
		3	1	5 937 000	5 829 014	—	107 986
			2	13 530 000	13 516 121	—	13 879
			3	822 000	914 961	+	92 961
			12	280 000	308 904	+	28 904
PORTS AND HARBORS	490						
		2	1	93 050	95 406	+	2 356
			3	14 300	11 944	—	2 356
		3	1	851 500	854 293	+	2 793
			3	108 000	114 899	+	6 899
			6	1 200 000	1 153 090	—	46 910
			9	2 527 000	2 564 218	+	37 218
						±	189 665
LOCAL GOVERNMENT							
LOCAL GOVERNMENT	510						
		2	1	41 000	35 193	—	5 807
			2	21 200	30 735	+	9 535
			3	28 950	23 194	—	5 756
			4	16 250	13 971	—	2 279
			7	47 100	49 933	+	2 833
			8	31 350	32 824	+	1 474
		3	3	60 000	56 695	—	3 305
			11	3 600	6 905	+	3 305
VALUER-GENERAL	516						
		1	2	1 599 347	1 625 631	+	26 284
			4	30 000	3 716	—	26 284
		2	1	120 000	121 583	+	1 583
			5	17 500	15 917	—	1 583
WEIGHTS AND MEASURES	519						
		2	1	49 000	53 502	+	4 502
			5	40 700	37 550	—	3 150
			9	4 000	2 648	—	1 352
						±	49 516

APPENDIX C.—continued.

Particulars	Vote			Parliamentary Appropriation	Appropriation after Variation by Governor in Council	+ Increase - Decrease					
	Division	Sub- Division	Item			\$	\$	\$			
PLANNING											
MINISTRY FOR PLANNING	521	1	2	467 571	469 865	+	2 294				
			4	10 000	7 706	-	2 294				
			3	1	45 000	43 086	-	1 914			
			3	3	229 500	230 414	+	1 914			
TOWN AND COUNTRY PLANNING BOARD	522	1	2	1 627 345	1 634 047	+	6 702				
			4	15 000	8 298	-	6 702				
		2	1	48 800	49 500	+	700				
			3	35 210	41 272	+	6 062				
			4	7 800	12 660	+	4 860				
				5	20 900	9 278	-	11 622			
									±	22 532	
MINERALS AND ENERGY											
MINERALS AND ENERGY	540	2	1	116 700	112 675	-	4 025				
			2	40 000	36 821	-	3 179				
			3	66 300	45 216	-	21 084				
		3	5	123 500	143 611	+	20 111				
			7	200	5 403	+	5 203				
			8	39 100	42 074	+	2 974				
			2	860 000	881 965	+	21 965				
			3	39 000	43 797	+	4 797				
			9	4 200	8 730	+	4 530				
			11	600 000	550 801	-	49 199				
			12	36 500	49 269	+	12 769				
			13	15 000	20 138	+	5 138				
			EXPLOSIVES	546	2	3	11 350	7 817	-	3 533	
5	17 300	20 833				+	3 533				
							±	81 020			
AGRICULTURE											
CENTRAL ADMINISTRATION	570	1	2	1 712 530	1 738 126	+	25 596				
			4	60 000	34 404	-	25 596				
		2	1	26 750	24 456	-	2 294				
			2	35 400	36 800	+	1 400				
			4	504 400	500 639	-	3 761				
				5	291 000	295 768	+	4 768			
				6	43 420	39 957	-	3 463			
				8	39 700	43 050	+	3 350			
AGRICULTURAL EDUCATION AND EXTENSION SERVICES..	576	3	1	1 437 000	1 437 847	+	847				
			2	469 800	457 841	-	11 959				
			3	369 300	373 246	+	3 946				
			5	13 600	9 869	-	3 731				
			6	158 600	144 921	-	13 679				
			7	877 300	887 960	+	10 660				
			11	33 300	47 216	+	13 916				
PLANT SERVICES	582	1	3	60 000	67 881	+	7 881				
			4	150 000	142 119	-	7 881				
		2	1	238 750	241 480	+	2 730				
			2	14 700	13 511	-	1 189				
		3	9	3 050	1 509	-	1 541				
			2	144 500	146 150	+	1 650				
			3	189 000	190 730	+	1 730				
			4	110 300	112 768	+	2 468				
			6	190 950	198 819	+	7 869				
			8	279 200	287 387	+	8 187				
			14	141 667	147 914	+	6 247				
			15	67 500	68 616	+	1 116				
			16	32 500	16 111	-	16 389				
			17	15 100	8 605	-	6 495				
			19	131 000	132 714	+	1 714				
			23	39 800	25 031	-	14 769				
			24	196 800	202 674	+	5 874				
			25	44 800	51 888	+	7 088				
			29	26 000	22 724	-	3 276				
			30	10 000	6 986	-	3 014				
			ANIMAL HEALTH	585	1	2	8 100 544	8 102 471	+	1 927	
						3	2 500	573	-	1 927	
		3			1	142 400	151 336	+	8 936		
					4	62 000	58 861	-	3 139		
					5	194 900	205 443	+	10 543		
					10	155 450	166 057	+	10 607		
					11	130 450	133 417	+	2 967		
					12	126 100	131 627	+	5 527		
					15	39 800	40 906	+	1 106		
					16	50 000	27 257	-	22 743		
17	20 000				6 196	-	13 804				
							±	160 650			

APPENDIX C.—continued.

Particulars	Vote			Parliamentary Appropriation	Appropriation after Variation by Governor in Council	+ Increase — Decrease
	Division	Sub- Division	Item			
FORESTS				\$	\$	\$
FORESTS COMMISSION	730	1	2 4	8 289 456 250 000	8 310 748 228 708	+ 21 292 — 21 292
						± 21 292
WATER RESOURCES						
MINISTRY OF WATER RESOURCES AND WATER SUPPLY ..	739	2	1 2	3 900 10 600	5 269 9 231	+ 1 369 — 1 369
STATE RIVERS AND WATER SUPPLY COMMISSION ..	740	2	1 9	304 000 900 000	321 283 882 717	+ 17 283 — 17 283
		3	1 2	508 000 5 235 000	529 000 5 230 135	+ 21 000 — 4 865
			3 4	3 115 000 111 200	3 168 300 106 736	+ 53 300 — 4 464
			5 6	171 000 163 000	163 826 171 500	— 7 174 + 8 500
			8	5 700 000	5 791 286	+ 91 286
			10	30 000	19 626	— 10 374
			11	10 500	6 185	— 4 315
			13	126 000	113 980	— 12 020
			14	500 000	369 126	— 130 874
						± 192 738
RAILWAYS						
RAILWAYS	750	1	1 2	294 115 000 11 700 000	294 119 983 11 695 017	+ 4 983 — 4 983
		3	1 3	1 600 000 3 000 000	1 629 850 2 970 150	+ 29 850 — 29 850
						± 34 833
					TOTAL	± 8 481 022

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