
REPORT

OF THE

AUDITOR-GENERAL

FOR THE YEAR ENDED

30th JUNE, 1965

6413/65

INDEX

PAGE.	PAGE.
93 .. Aborigines Welfare Fund	89 .. Parliamentary Contributory Retirement Fund
93 .. Adult Education	89 .. Parliamentary Superannuation Fund
122 .. Advances to Public Bodies	91 .. Pharmaceutical Benefits Trust Account
32 .. Agricultural Colleges, &c.	34 .. Police Department
31 .. Agriculture Department	87 .. Police Pensions Fund
83 .. Appeals Costs Fund	87 .. Police Superannuation Fund
121 .. Arrears of Revenue	89 .. Port Phillip Pilot Sick and Super. Fund
125 .. Audit Queries Unsatisfied	39 .. Prisons
14 .. Betting Tax	13 .. Probate Duty
83 .. B.P. Benthic Survey Trust Account	40 .. Probation and Parole
24 .. Budget—Expenditure Estimates	10 .. Public Account
22 .. Budget—Revenue Estimates	27 .. Public Debt and Debt Charges
34 .. Chief Secretary's Department	65 .. Public Works Department
62 .. Closer Settlement	69 .. Railway Accounts
62 .. Closer Settlement Insurance Fund	16 .. Registrar-General, Registrar of Companies, and Registrar of Titles
112 .. Coal Canal Bridge	11 .. Revenue (synopsis)
107 .. Commonwealth Aid Roads 1964	3 .. Revenue and Expenditure
11 .. Commonwealth Financial Assistance Grants	3 .. Review
12 .. Commonwealth Financial Assistance—State Water Resources	81 .. River Improvement Trusts
60 .. Commonwealth—State Grants (Mental Institutions) Trust Fund	84 .. Roads (Special Projects) Fund
14 .. Comptroller of Stamps	4 .. Royalties on Brown Coal
120 .. Co-operative Housing Societies	101 .. Securities Lodged with Treasurer
106 .. Country Roads Board	37 .. Social Welfare
82 .. Country Sewerage	83 .. Special Funds
77 .. Country Water Supply	14 .. Stamp Duties
61 .. Crown Lands and Survey	102 .. State Accident Insurance Office
100 .. Decentralization Fund	75 .. State Coal Mine
126 .. Defalcations and Irregularities	121 .. State's Debtors
117 .. Dried Fruits Board	84 .. State Grants (Science Laboratories and Technical Training) Trust Account, 1964
42 .. Education	104 .. State Motor Car Insurance Office
14 .. Entertainments Tax	77 .. State Rivers and Water Supply Commission
54 .. Erica State Saw Mill	87 .. Superannuation and Pension Funds
86 .. Estate Agents Guarantee Fund	125 .. Surcharges
23 .. Expenditure (synopsis)	17 .. Tattersall Duty
37 .. Family Welfare	12 .. Taxation
50 .. Forests	19 .. Totalizator
86 .. Government Buildings Fire Insurance Fund	114 .. Tourist Development Authority
56 .. Government Printer	116 .. Transport Regulation Board
120 .. Guarantees	30 .. Treasurer's Advance
57 .. Health	83 .. Trust Funds
91 .. Home Builders' Account	46 .. Universities
94 .. Hospitals and Charities	33 .. Victoria Dock Cool Stores
125 .. Imperfect Vouchers	81 .. Waterworks Trusts
27 .. Interest	118 .. Workers Compensation Board
95 .. Kings Bridge Restoration	38 .. Youth Welfare
123 .. King-street Bridge	
13 .. Land Tax	
61 .. Lands Department	
96 .. Level Crossings Fund	
21 .. Licensing Fund	
25 .. Loan Fund	
63 .. Local Government Department	
96 .. Mallee Land Account	
96 .. Mental Hospitals Fund	
59 .. Mental Hygiene	
112 .. Metropolitan Transportation Committee	
97 .. Milk Board	
64 .. Mines Department	
17 .. Motor Car—Drivers' Licence Fees	
87 .. Motor Car (Hospital Payments) Fund	
17 .. Motor Car—Insurance Surcharge	
34 .. Motor Registration Branch	
54 .. Mt. Buller Alpine Reserve Account	
53 .. Mt. Buller Committee of Management Works Trust Account	
98 .. Municipalities Assistance Fund	
112 .. Municipalities Forests Roads Improvement Fund	
29 .. National Debt Sinking Fund	
99 .. National Parks Fund	
	<i>Abstracts of Year's Operations—</i>
	131 .. No. 1 Receipts and Expenditure
	132 .. „ 2 Expenditure—Comparative Statement
	133 .. „ 3 Loan Fund
	134 .. „ 4 Trust Funds
	135 .. „ 5 Debt Charges Account
	137 .. „ 6 Railways — Receipts and Expenditure
	139 .. „ 7 Country Water Supply—Receipts and Expenditure
	<i>Appendices—</i>
	140 .. A. Treasurer's Advance
	141 .. B. Stores
	142 .. C.—1 Endowments and Grants
	144 .. „ 2 Cultural Development Allocations
	146 .. D. Education Department. Comparative Analysis
	148 .. E. Agricultural Colleges and Research Institutions
	149 .. F. Transfers—Section 25 Audit Act

REPORT OF THE AUDITOR-GENERAL OF VICTORIA

UPON

THE TREASURER'S STATEMENT OF THE FINANCES FOR THE YEAR ENDED
30TH JUNE, 1965.

As directed by Section 47 of the *Audit Act* 1958, I hereby transmit to the Legislative Assembly the Statement for the financial year ended 30th June, 1965, prepared in detail by the Treasurer, of the receipts and expenditure of—

the Consolidated Revenue,
the Trust Fund, and
the Loan Fund ;

and I have the honour to furnish herein, in accordance with the provisions of the said section, my report—

- (i) explaining the Statement in full ; and
- (ii) showing particulars of the several matters more specifically referred to in paragraph (a) of sub-section (1) and in sub-section (2) of the said section.

In conformity with the provisions of Section 46 of the Audit Act, the Treasurer has included and distinguished in his Statement of the "expenditure of the Consolidated Revenue" for the year such amounts as had been expended but in respect of which no appropriation had been made on or before 30th June, 1965. It follows that the relevant figures herein are submitted on the basis that, in the near future, Parliamentary approval of these amounts will be signified by the passing of the Supplementary Estimates for the year.

The Treasurer's Statement and the related subsidiary statements have been checked by my officers and are in agreement with the accounts of the Treasurer.

This report is arranged to present a review of the Treasurer's accounts for the year, followed, under appropriate headings, by the more detailed information and explanations necessary to comply with statutory requirements.

My comments upon the accounts of the several major public authorities which I am required by law to audit will be furnished in a supplementary report which is now in course of preparation.

REVIEW.

Revenue.

In 1964-65—	£	s.	d.
The Expenditure charged to Consolidated Revenue was..	240,333,908	19	4
and			
The Revenue brought to account from all sources was an equivalent sum, viz.	240,333,908	19	4

The expenditure for the year, as recorded above, includes the sum of £1,562,583 8s. which has been charged to Treasurer's Advance pending the passing of the Supplementary Estimates for the year.

It will be seen later in this review that equality in amount as between revenue expenditure and revenue collections for the year was attained by drawing on certain Trust Accounts which, at the discretion of the Treasurer, may be used for the purpose of assisting Consolidated Revenue.

Several of the amounts in this report are presented in exact monetary detail either to conform with statutory requirements or to accord with long established practice. In all other instances, the amounts shown are rounded off to the nearer pound.

Credits to Consolidated Revenue other than from Commonwealth sources increased from £133,608,239 in 1963-64 to £150,833,538 in 1964-65 or, expressed as a proportion of the gross revenue of the State, from 60·13 per cent. in 1963-64 to 62·76 per cent. in 1964-65.

State revenue from Commonwealth sources increased in amount from £88,576,317 to £89,500,371 but, calculated proportionately on the basis of the State's gross revenue, this particular part of the State's revenue fell from 39·87 per cent. to 37·24 per cent.

Principal factors which contributed to the over-all increase of £17,225,299 in revenue from State sources, including those factors which assisted in the achievement of exact balance between revenue and expenditure, are as outlined below:—

	£	£	Increase or Addition. £
<i>Revenue in 1964-65 obtained from additional major sources as shown hereunder—</i>			
From—Police Pensions Fund—Surplus Revenue Account .. .. .	..	1,568,970	
Mallee Land Account towards Sinking Fund Charges .. .. .	..	298,085	
Railway Equalization Account	1,084,800		
Excess of Railway Income over Railway Operating Expenses (excluding debt charges)	193,727		
	—————		1,278,527*
(* In effect, partial set-off against the State's debt charges)			
Collections of stamp duty on applications for registration and notices of acquisition of motor cars .. .. .	..	1,212,280	
Collections from statutory increase of 30s. in triennial fee for motor driver's licence .. .. .	..	273,802	
Appropriation from profit of State Accident Insurance Office .. .. .	..	250,000	
Royalties on brown coal † .. .. .	..	227,066	
		—————	5,108,730
† For particulars, see under Electricity Commission in my Supplementary Report, when presented.			
<i>Increase in revenue collections reflecting variations in rates of duty, &c.—</i>			
From "Duty Stamps" largely as a result of the increase in stamp duty on cheques, the extension of stamp duty to mortgages, contracts of life insurance and agreements and deeds generally and the other variations in duty under this head .. .. .	..	..	2,290,138
<i>Increases in other State Taxes—</i>			
In Probate Duty .. .. .	..	1,080,886	
Land Tax .. .. .	..	729,987	
Totalizator Commission .. .. .	..	664,272	
Duty on Insurance Business .. .. .	..	323,612	
Other Duty under Stamps Acts—Turnover Tax on Bookmakers' Transactions, &c. .. .. .	..	39,362	
Licensing Fund Payment .. .. .	..	250,180	
Tattersall Duty .. .. .	..	54,233	
Sundry State Taxes .. .. .	..	155,803	
		—————	3,298,335
<i>Increase in Railway Revenue—</i> .. .. .	..	4,825,149	
Less—Part of increase shown above under heading of revenue from additional major sources .. .. .	..	1,278,527	
		—————	3,546,622
<i>Increase in Interest recoups, &c.—</i> .. .. .	..	..	817,382
<i>Increase in Revenue No. 4 "Public Works"—</i>			
State Rivers & Water Supply Commission—Revenue and Recoups .. .. .	..	429,883	
Public Works Department—Recoups of Expenditure, &c. .. .. .	..	105,835	
Other .. .. .	..	18,847	
		—————	554,565
<i>Increase in Revenue from "Fines" to which the diversion from the Country Roads Board Fund of fines under the Motor Car Act contributed substantially</i> .. .. .	..	..	526,158
<i>Net increase in Revenue from other State sources—</i> .. .. .	..	..	1,083,369
			—————
			17,225,299

State revenue from Commonwealth sources over the past two years is compared hereunder :—

Commonwealth Grant or Contribution.	1963-64.	1964-65.	Increase + Decrease -
	£	£	£
Contribution pursuant to Commonwealth—States Financial Agreement	2,127,159	2,127,159	..
Financial Assistance Grant	79,741,249	85,874,849	+ 6,133,600
Additional Financial Assistance Grant	5,140,000	..	- 5,140,000
Tuberculosis Arrangement	1,425,341	1,369,422	- 55,919
Towards remissions and losses on Soldier Settlement	139,371	77,465	- 61,906
Advance—in <i>re States Grants (Water Resources) Act</i> 1964 .. .. .	..	44,690	+ 44,690
Other	3,197	6,786	+ 3,589
	88,576,317	89,500,371	+ 924,054

In this report, at page 11 et seq., more detailed information is furnished in relation to the financial assistance grants listed above and, in the section of the report concerning the accounts of the Health Department, further reference is made to the annual amounts received from the Commonwealth under the Tuberculosis Arrangement.

The advance of £44,690 to the State under the Commonwealth's *States Grants (Water Resources) Act* 1964 is to be allocated by way of recoup of the State's expenditure during the year in terms of the Act. Particulars of the relevant legislation are given herein at page 12 and references to the expenditures in accordance therewith are given in the respective sections of this report pertaining to the activities of the Mines Department and the State Rivers and Water Supply Commission.

It was anticipated that railway income with assistance from the Railway Equalization Account would be sufficient to meet all railway operational expenses and, in addition, recoup the State to the extent of the annual debt charges—£1,592,815—on railway loan expenditure incurred as from and inclusive of the year 1960-61. As already indicated in this review, the Railway's effective contribution towards the State's debt charges amounted to £1,278,527, that is, £314,288 less than the amount actually charged the Railways on account of interest and sinking fund. (For particulars of the Railway accounts, see section under that heading later in this report.)

Expenditure for the year in respect of departments and services, excluding railway expenditure other than railway debt charges, amounted to £190,599,041, as compared with £176,248,846 in the previous year—that is, an increase of £14,350,195. The major part of this increase was the result of substantial rises in expenditure on account of education, debt charges and health services respectively. Comparative details of expenditure under these broad heads are :—

	1963-64	1964-65	Increase
	£	£	£
Education	57,512,197	63,340,597	5,828,400
Debt Charges	48,637,392	52,407,818	3,770,426
Health—including transfers to Hospitals and Charities and Mental Hospitals Funds	28,329,492	30,545,640	2,216,148

With regard to the preceding charges to Consolidated Revenue, it should be explained that there are certain revenue collections of the State which, for the purpose of ascertaining the relevant net costs to the State, need to be set-off against such charges. This aspect is the subject of amplification below.

Revenue collections and recoups of expenditure on account of education amounted to £670,133 in 1963-64 and £739,699 in 1964-65. It will be appreciated that these receipts, when viewed in the light of the substantial sums expended annually by the State on education relieve, only slightly, the burden on Consolidated Revenue under this head.

“Debt Charges”, shown in the preceding summary, consist of the debt charges on the Public Debt together with the annual sums paid to the Commonwealth on account of interest and principal in respect of loan advances for housing and special loans for soldier settlement. Relevant particulars are:—

	1963-64	1964-65	Increase
	£	£	£
Debt charges on Public Debt	41,385,234	44,493,117	3,107,883
Interest and principal—Commonwealth— State Housing Agreement	6,937,488	7,600,031	662,543
Interest and principal—Commonwealth— State Soldier Settlement Account ..	314,670	314,670	..
	<u>48,637,392</u>	<u>52,407,818</u>	<u>3,770,426</u>

The increase of £3,107,883 in the debit to Consolidated Revenue on account of the debt charges on the Public Debt has further extended the annual upward trend which, over a long period, has been evident in this item. However, it is necessary to point out that, in each year, the State is in receipt of a substantial sum from State bodies by way of interest and sinking fund on account of advances made to them from the State's Loan Fund. Collections of this nature together with interest such as the proportion of the interest on Public Account paid into Consolidated Revenue may, with justification, be regarded as in the nature of direct assistance to the State in meeting its annual obligations in respect of its loan liability to the Commonwealth.

The extent to which the receipts mentioned above have contributed annually towards meeting the State's debt charges over the past decade is clearly indicated in the analysis contained in Statement 5 appended to this report. Also included in the analysis is the monetary proportion of the annual debt charges which may be considered to have been met over the period from taxation and the other general revenues of the State. It will be seen that, in the year under review and in the year immediately preceding, the respective net amounts available for payment for debt charges were £8,819,716* and £8,499,540 and that this left £34,096,790 and £32,885,694 respectively, to be provided for this purpose from the general revenues of the State.

The funds necessary to meet the State's commitments for interest and principal under the Commonwealth-State Housing Agreement are paid into Consolidated Revenue—as to the major part, from the income of the Housing Commission, and, as to the balance, from the Home Builders' Account. Thus, in effect, the general revenues of the State bear none of these costs. Similarly, interest payments and repayments of principal by the State in respect of special loans from the Commonwealth for soldier settlement are recouped from soldier settlers' instalment payments. Appropriate references to the respective funds made available to the State from the sources mentioned immediately above may be seen in this report under Home Builders' Account and, in my supplementary report, when presented, under the headings of Housing Commission and Rural Finance and Settlement Commission.

* In addition, £1,278,527 was provided from Railway sources and £298,085 from the Mallee Land Account.

As to the total charges to Consolidated Revenue on account of Health—£28,329,492 in 1963-64 and £30,545,640 in 1964-65—these may be considered to have been financed in the following manner:—

<i>From—</i>	1963-64.		1964-65.	
	£	£	£	£
Totalizator Commission	2,674,508		3,338,780	
Tattersall Duty	3,304,375		3,358,608	
Commonwealth Recoup—Tuberculosis Arrangement	1,425,341		1,369,422	
Mental Hygiene Branch—Receipts various	691,998		913,201	
Health Department—Miscellaneous Receipts	111,782		119,610	
	<u> </u>	8,208,004	<u> </u>	9,099,621
<i>From the general revenues of the State—</i>				
Net Cost to Consolidated Revenue—				
Health Services (other than Mental Hygiene)	3,741,971		4,044,765	
Mental Hygiene Branch	7,079,517		7,441,254	
Transfers to Hospitals and Charities Fund—				
Special Appropriation (other than Totalizator and Tattersall receipts)	800,000		800,000	
Annual vote	8,500,000		9,160,000	
	<u> </u>	20,121,488	<u> </u>	21,446,019
		<u> </u>		<u> </u>
		28,329,492		30,545,640

Loan.—Expenditure from Loan Fund on works and for purposes associated with such works amounted to £63,927,399 during the year under review as compared with £58,875,165 in the previous year. From the loan moneys—£59,094,154 in 1963-64 and £64,342,417 in 1964-65—available to meet such expenditure, the major allocations in each of the two years were, broadly, for the amounts and purposes and proportionately to the extent shown below:—

	1963-64.		1964-65.	
	£	Per cent. of available funds.	£	Per cent. of available funds.
For— <i>Social Expenditure</i> —including expenditure on Education, Health, &c.	25,682,747	43·46	27,478,003	42·71
<i>Services associated with Primary Production</i> —including Agriculture, Forests, Country Water Supply, &c.	11,882,856	20·11	12,485,583	19·40
<i>Advances to State Electricity Commission</i>	8,000,000	13·54	8,000,000	12·43
<i>Railways</i>	7,810,185	13·22	7,750,311	12·04

The State's loan liability on account of its ordinary debt as at the close of the year together with analyses of loan and related transactions during the year are furnished under "Loan Fund" at page 25 et seq. herein. Additional to this liability are, as already indicated in this review, the State's liabilities to the Commonwealth under the Commonwealth-State Housing Agreement and for special assistance loans for soldier settlement. As at the close of the year, the respective liabilities of the State to the Commonwealth on these accounts were £181,367,316 and £6,832,029 as compared with £165,771,908 and £6,888,384 as at the close of the previous year.

Trust Fund.—"Trust and Special Accounts" which comprise the Trust Fund in the Treasury are discussed in detail in the latter part of this report.

Excluding the debits and credits to certain suspense accounts which are in the nature of clearing entries for book-keeping purposes, the debits and credits to the Funds and Accounts within the Trust Fund amounted to £158,160,943 and £157,345,192 respectively. The comparable figures in 1963-64 were £131,817,546 and £132,632,096.

Conditional Commonwealth grants and advances to the State are accounted for in appropriately named accounts within the Treasury Trust Fund. The credits and debits on account of these grants and advances in the past two years are summarized hereunder :—

Account or Fund.	1963-64.			1964-65.		
	Total Credits (Including Balance Forward).	Total Debits.	Balance Forward.	Total Credits (Including Balance Forward).	Total Debits.	Balance Forward.
	£	£	£	£	£	£
Commonwealth Aid Roads (Nos. 1-3 Accounts)	11,442,231	11,412,019	30,212	12,818,028	12,787,450	30,578
Commonwealth Pharmaceutical Benefits	2,150,190	2,054,019	96,171	2,294,633	2,183,766	110,867
Commonwealth Scholarships Scheme ..	948,180	902,823	45,357	1,388,908	1,316,759	72,149
Commonwealth-State Free Milk Scheme	1,130,194	1,037,143	93,051	1,127,614	1,127,551	63
Commonwealth-State Grants (Mental Institutions) Trust Fund .. .. .	..	..	..	355,689	355,689	..
Commonwealth-State Housing	9,838,750	9,838,750	..	13,129,882	13,129,882	..
Home Builders'	6,450,983*	6,324,835	126,148	7,065,229*	7,064,255	974
La Trobe University (Commonwealth Subsidy) .. .. .	..	..	..	23,772	23,772	..
Monash University (Commonwealth Subsidy)	2,278,607	2,278,607	..	2,287,375	2,287,375	..
Rural Rehabilitation	1,871,940	..	1,871,940	1,976,652	..	1,976,652
State Grants (Science Laboratories and Technical Training) .. .. .	..	..	..	2,812,500	1,240,881	1,571,619
University (Commonwealth Subsidy)† ..	2,361,386	2,361,386	..	2,610,362	2,610,362	..
Other	956,941	793,598	163,343	869,499	694,725	174,774
	39,429,402	37,003,180	2,426,222	48,760,143	44,822,467	3,937,676

* Includes repayment of advances and interest thereon 1963-64, £2,364,478; 1964-65, £2,889,080.

† Refers to University of Melbourne.

Brief explanations of some of the Accounts in the preceding summary are given below particularly in reference to those Accounts in respect of which there has been a change of circumstances or which are newly created. More detailed explanations are given under appropriate headings elsewhere in this report.

As from 1st July, 1964, the *Commonwealth Aid Roads Act 1959* was replaced by the *Commonwealth Aid Roads Act 1964*. An outline of the financial provisions of the new legislation is given under the general head of "Country Roads Board" in this report.

The balance of £30,212 shown above as held by the State as at 30th June, 1964, in the Commonwealth Aid Roads Accounts was the amount unexpended from the allocations to the Public Works Department up to and inclusive of 1963-64 for expenditure on works, other than road works, directly connected with transport by road or water. Also, for these purposes, an allocation of £196,736 was made from the Commonwealth Aid Roads grants for 1964-65. The major part, £12,591,080, of the total of these grants (£12,787,816) in 1964-65 was made available to the Country Roads Board for road works. Expenditure on these works is referred to briefly below and more fully under the appropriate section later in this report.

A similar account to the Commonwealth-State Grants (Mental Institutions) Trust Fund was in operation up to and inclusive of 1960-61. The existing account under that name, shown in the preceding summary, records the State's receipts and disbursements in terms of the *States Grants (Mental Health Institutions) Act 1964*. (For further references to this Fund see pages 60 and 83.)

The La Trobe University Commonwealth Subsidy Account records the receipt and transmission of the Commonwealth's preliminary subsidy to the new University.

The other new Commonwealth Account shown in the summary is the State Grants (Science Laboratories and Technical Training) Trust Account 1964. This Account was established to account for the Commonwealth moneys disbursed in Victoria pursuant to the provisions of the Commonwealth's *States Grants (Science Laboratories and Technical Training) Act* 1964. The sum disbursed, £1,240,881, from the amount received, £2,812,500, was accounted for as follows:—

	£	£
Expenditure in respect of schools within the Education Department's ambit of control—		
By Education Department	642,651	
By Public Works Department	221,230	
	<hr/>	863,881
Payments to Non-Government Schools		377,000
		<hr/>
		1,240,881
		<hr/>

In conformity with an arrangement between the Commonwealth and the State, I have furnished a report on the sums made available to Victoria for the aforementioned purposes. More detailed references to the expenditure of these amounts are given under the respective heads of "Education" and "Public Works Department" in this report.

With respect to the special accounts and funds within the Trust Fund financed solely from State sources, it has already been shown in a summary earlier in this review that some of these accounts were drawn on substantially in 1964–65 to assist Consolidated Revenue. Details of these transactions are given later herein. However, for the purpose of this review, such transactions are briefly explained below.

The payment of £1,568,970 to Consolidated Revenue from the Surplus Revenue Account within the Police Pensions Fund was in accordance with a determination of the Honorable the Treasurer made pursuant to the provisions of the *Superannuation Act* 1958, as amended by the *Superannuation Act* 1963, following on an actuarial investigation of the Fund as authorized in the amended legislation. After the payment to Consolidated Revenue, the balance in the Fund was £9,640,961 but, as against this credit, there is a substantial liability to the State Superannuation Fund, the amount of which will be determined in accordance with a certificate issued by the Government Statist in terms of Sub-section (2) of Section 7 of the *Superannuation Act* 1963.

The transfer of £1,084,800 from Railway Equalization Account supplemented Railway income and thereby assisted Consolidated Revenue. This transfer, which consisted of the whole of the amount at credit of the Account, was mandatory under the provisions of the *Railways Act* 1958, as amended, in view of the fact that Railway Operating Expenses, including debt charges, exceeded Railway income by £1,399,088.

As authorized by the Commonwealth and States Financial Agreement Act, the moneys at credit of the Mallee Land Account may be applied to recoup the consolidated revenue portion of the State's annual contribution to the National Debt Sinking Fund. As already indicated, the amount allocated for this purpose in 1964–65 was £298,085. At the close of the year, there was still a substantial balance at credit of the Account, viz., £782,273.

The Country Roads Board Fund, which is discussed in detail under its appropriate heading in this report, is one of the principal funds of the State. As stated in my previous report, this Fund is in the nature of a special revenue account. Its credits, which, for the greater part, are comprised of the major proportion of the collections under the Motor Car Act and the whole of the road charges collected under the Commercial Goods Vehicles Act, amounted to £16,295,264 in 1964–65 as compared with £16,834,287 in 1963–64. Also included in the receipts of the Fund in 1964–65 were:—

- (i) a contribution of £350,000 from Loan Fund as compensation for the cash loss to the Fund arising from the diversion to Consolidated Revenue of the fines collected under the Motor Car Act; and
- (ii) an advance of £250,000 from Public Account repayable before 30th September, 1965.

The amount of £16,295,264 credited, as already stated, to the Country Roads Board Fund plus the amount of £12,591,080 from the Commonwealth Aid Roads Grants mentioned earlier herein together with loan advances amounting to £381,000, provided, after a statutory payment of £234,268 to the Tourist Fund, a total of £29,033,076 for road and associated works, as compared with £28,168,996 for those purposes in the previous year. In 1964–65, the actual expenditure of this nature, including the cost of acquisition of land for roadworks, amounted to £25,194,559.

Consolidated Revenue Deficit Account.—As a result of the addition of the deficit for the previous year, viz., £252,536, the debit balance on this Account, representing the amount of the Consolidated Revenue Deficit standing as a charge to Public Account, increased from £1,695,983, as at the close of the previous year, to £1,948,519, as at the close of the year under review.

Treasury Balances.—As at 30th June, 1965, the balances at credit of Loan Fund and Trust Funds aggregated £55,855,725. This sum was accounted for as follows:—

	£
Cash at credit of Public Account on fixed deposit and in current account	26,291,426
Investments held on behalf of Trust Funds	25,723,648
Amount necessary, as indicated above, to finance temporarily the Consolidated Revenue Deficit	1,948,519
Various advances—a summary of which is given on page 6 of the Treasurer's Finance Statement	1,892,132
	55,855,725

Included in the various advances, £1,892,132, is a sum of £91,278 charged to Public Account pending recoup from other Governments and Authorities. This sum, in turn, includes £33,680 on account of surveys and plans made in respect of the conversion to standard gauge of the railways in Victoria. The question of the liquidation of this debit would appear to warrant attention.

Auditing Standards.—With the ever increasing volume of departmental transactions, it is becoming more evident from year to year that, in the governmental field, the only alternative to the engagement of large audit staffs is the complete adoption of modern auditing standards and techniques.

One of the more important aspects of modern auditing is the evaluation of the effectiveness of internal controls with a view to audit reliance on them. Obviously, responsibility for the continued effectiveness of these controls must, in large measure, rest on the departmental administration concerned. It is essential, therefore, that departmental staffs be kept at adequate strength and that their members be capable of performing efficiently their respective duties.

As already indicated, most of the matters outlined in this review are the subject of detailed comment in the succeeding pages.

REVENUE.

A synopsis of the Treasurer's summary of revenue appearing on pages 8-14 of the finance statement is given in the following tabular comparison for the purpose of showing the significant variations during the year.

	1963-64.	1964-65.		£
	£	£		£
State Taxes	50,972,111	58,046,667	Increase	7,074,556
Commonwealth—				
States Grants Act 1959	79,741,249	85,874,849	„	6,133,600
Interest	13,784,085	14,601,467	„	817,382
Recoups &c. (other than Interest and Water Supply)	4,994,526	5,853,884	„	859,358
Ports and Harbors	849,999	1,183,762	„	333,763
Water Supply (including Recoups)	4,645,261	5,075,144	„	429,883
Fines	789,172	1,315,330	„	526,158
Mint	289,669	353,653	„	63,984
Forests	2,397,379	2,636,868	„	239,489
Government Printer	1,306,463	1,405,964	„	99,501
Education	467,064	525,256	„	58,192
Transfers from Trust Funds	41,401	1,612,893	„	1,571,492
Lands	1,008,889	1,077,940	„	69,051
Rents (other than Territorial)	411,998	450,664	„	38,666
State Accident Insurance—				
Appropriation Portion of Surplus .. .. .	..	250,000	„	250,000
State Electricity Commission—Royalties .. .. .	..	227,066	„	227,066
Sundry	4,723,731	5,102,603	„	378,872
Total Increase .. .. .	..	..	..	19,171,013
Commonwealth—Additional Assistance	5,140,000	..	Decrease	5,140,000
Health	1,517,034	1,460,171	„	56,863
Gas and Fuel Corporation—Dividend	189,120	139,174	„	49,946
Repayment of Advance—Superannuation Board	600,000	..	„	600,000
Total Decrease .. .. .	..	..	..	5,846,809
Commonwealth and States Financial Agreement (Vic.) Act No. 3554	2,127,159	2,127,159	..	..
	175,996,310	189,320,514	Increase	13,324,204
Railways	46,188,246	51,013,395	„	4,825,149
	222,184,556	240,333,909	„	18,149,353

Commonwealth financial assistance and State taxes can be conveniently discussed at this stage of the report: further references to revenue from other sources will be made under appropriate departmental headings.

COMMONWEALTH FINANCIAL ASSISTANCE GRANTS.

Commonwealth legislation—the States Grants Acts 1959 and 1962—formulated the terms in which the respective financial assistance grants to the States were to be calculated and provided for a possible review of those terms in respect of a year subsequent to 1964-65.

The grant to Victoria for 1964-65 amounted to £85,874,849. This sum was, in accordance with the statutory formula, calculated in the manner explained hereunder:—

The basic figure, £79,741,249, which was the equivalent of the amount of the State's grant for the previous year, was increased in proportion to the increase, as estimated by the Commonwealth Statistician, in the State's population

during 1963-64 and then, as the next and final step, the resultant figure was increased by 1.1 times the percentage increase, as between the years 1962-63 and 1963-64, in the average wages per person employed throughout Australia.

It is of interest to note that the basic figure was, at the completion of the first step, increased by £1,963,149; at the completion of the second step, by a further amount of £4,170,451; and that, on the basis of the combined result of the two steps, Victoria's grant for 1964-65 was in excess of that for the previous year by £6,133,600.

Commonwealth grants to Victoria in the nature of tax reimbursement or financial assistance grants from and inclusive of 1958-59 are compared hereunder:—

Year.		Grant, £
1958-59	*Tax Reimbursement and Supplementary Grants ..	54,582,520
1959-60	Financial Assistance Grant	60,625,000
1960-61	Financial Assistance Grant	67,371,342
1961-62	Financial Assistance Grant	73,014,476
	Additional Assistance Grant	1,800,000
1962-63	Financial Assistance Grant	76,133,355
	Additional Assistance Grant	3,727,000
1963-64	Financial Assistance Grant	79,741,249
	Additional Assistance Grant	5,140,000
1964-65	Financial Assistance Grant	85,874,849

* For comparative details of earlier Commonwealth Tax Reimbursements and Supplementary Grants—see table at page 11 of my report for 1958-59.

COMMONWEALTH FINANCIAL ASSISTANCE IN CONNEXION WITH THE MEASUREMENT AND INVESTIGATION OF STATE WATER RESOURCES.

The Commonwealth's States Grants (Water Resources) Act 1964 provides, *inter alia*, that, where a State furnishes to the Treasurer of the Commonwealth such information as required by him with respect to the totals of its capital and operational expenditure during each year over the period 1964-65 to 1966-67 (inclusive) in connexion with the measurement of the discharge of its rivers and on the investigation and measurement of its underground water resources, there is payable to such State in respect of that year financial assistance determined in terms of the legislation.

During 1964-65, Victoria received from the Commonwealth an advance of £44,690 pending final determination of the grants due to it pursuant to the provisions of the legislation outlined above. This advance has been paid to the credit of the State's Consolidated Revenue under the general head of No. 9—Miscellaneous.

As indicated above, the grants will be finally determined on the basis of the appropriate information furnished by the State, which will be supplied by the several State authorities concerned including the State Rivers and Water Supply Commission and the Mines Department. Such basic information will be subject to my verification and certification in accordance with the provisions of Section 7 of the Act.

STATE TAXES.

"Revenue, No. 1 Taxation", in the Treasurer's Accounts is classified, by way of description, under "Direct" taxation, revenue under the "Stamps Acts", collections from "Registrations, &c.," of shops and factories, &c., and proceeds of "Licences" issued under State laws. Further, each of these classifications is dissected in detail on the basis of the component revenue sources.

"Direct" taxation includes revenue from Probate Duty, Land Tax, Entertainments Tax, Motor Car Third-party Insurance—Surcharge, Totalizator and Tattersall Duty. Revenue under the "Stamps Acts" comprises collections from the sale of Betting Tickets,

Duty on Insurance Business, Sale of Duty Stamps, Turnover Tax on Bookmakers' Transactions and Stamp Duty on Bookmakers', &c., Certificates. The title "Licences" covers not only licence fees credited direct to Consolidated Revenue but also the payment made thereto from the Licensing Fund.

Under each of the four main classifications referred to, taxation revenue over the past four years is compared hereunder:—

No. 1 Taxation.	1961-62.	1962-63.	1963-64.	1964-65.
	£	£	£	£
Direct	26,542,987	27,614,326	31,134,716	33,714,212
Stamps Acts *	13,471,259	14,237,915	16,033,759	19,899,151
Registrations, &c.	156,402	179,371	226,228	296,007
Licences	3,406,638	3,538,737	3,577,408	4,137,297
Total Taxation	43,577,286	45,570,349	50,972,111	58,046,667

* Includes stamp duty on Bookmakers', &c., Certificates brought to account by the Treasury up to and inclusive of 1962-63 under the sub-head "Licences".

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

Probate Duty, Land Tax, and Entertainments Tax.—The following statement gives a comparison over the past four years of collections of Probate Duty, Land Tax, and Entertainments Tax.

—	1961-62.	1962-63.	1963-64.	1964-65.
	£	£	£	£
Probate Duty	12,540,213	12,321,363	14,726,259	15,807,145
Land Tax	7,406,384	8,544,939	9,132,483	9,862,470
Entertainments Tax	1,110,718	611,274	256,121	258,113

Probate Duty.—Duty for 1964-65 amounting to £15,554,917 was collected by the Commissioner of Probate Duties and £252,228 by the Public Trustee. The aggregate value of new estates assessed increased from £103 million in 1963-64 to £121 million in 1964-65.

The increase of £1,080,886 in collections under this head was, for the major part, the result of compliance with a greater number of requests than in the previous year by legal representatives of comparatively large deceased estates for interim assessments.

The end-of-the-year position, as indicated by the comparative summary hereunder, also influences the State's annual collections from Probate Duty:—

Duty assessed but uncollected—

As at 30.6.1962—£793,365 ; collected—£736,450 in 1962-63.

As at 30.6.1963—£1,941,968 ; collected—£1,866,045 in 1963-64.

As at 30.6.1964—£1,149,364 ; collected—£1,055,237 in 1964-65.

As at 30.6.1965—£1,708,481 ; to be collected in 1965-66.

Land Tax.—As indicated in the comparative statement, receipts from Land Tax increased by £729,987.

The *Land Tax (Rates and Exemptions) Act 1964*, No. 7904, fixed rates of tax in terms identical to those applicable in the previous assessment year. However, the Act did vary the existing provisions in respect of exemptions from land tax as follows:—

Exemptions.

Class of Land.	Prior to passing of the Act.	As from date of operation of the Act, viz., 1st January, 1965.
Land used for primary production	Total exemption up to and inclusive of unimproved value of £3,000 Diminishing rights to exemption in respect of land holdings with unimproved values ranging from £3,001 to £5,999 inclusive	Total exemption up to and inclusive of unimproved value of £5,000 Diminishing rights to exemption in respect of land holdings with unimproved values ranging from £5,001 to £9,999 inclusive
Land other than land used for primary production	Total exemption up to and inclusive of unimproved value of £1,750 Diminishing rights to exemption in respect of land holdings with unimproved values ranging from £1,751 to £1,999 inclusive	Total exemption up to and inclusive of unimproved value of £3,000 Diminishing rights to exemption in respect of land holdings with unimproved values ranging from £3,001 to £4,249 inclusive

Notwithstanding the more liberal exemption terms as outlined above, the continuing revision of land values throughout the State has contributed to the continuance of the upward trend in revenue from this source, noticeable over recent years.

Entertainments Tax.—The comparatively small collections from this source in the past two years—£256,121 in 1963–64 and £258,113 in 1964–65—reflect the effect of legislation which, as from 29th December, 1962, abolished tax on all classes of entertainment except race-meetings to which Part I. of the *Racing Act 1958* applies.

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

—	1961–62.	1962–63.	1963–64.	1964–65.
	£	£	£	£
Duty Stamps	9,202,243	9,833,877	11,413,740	14,916,158
Insurance Licences	2,718,574	2,877,494	3,043,742	3,357,354
Betting Tax	1,400,566	1,379,121	1,424,072	1,458,666
Betting Tickets	112,979	106,320	112,742	114,488
Bookmakers', &c., Certificates	36,897	41,103	39,463	42,485
Total	13,471,259	14,237,915*	16,033,759	19,899,151

* Excluding collections 28th June, 1963, £65,927.

As indicated in the preceding statement, revenue from “Duty Stamps” was in excess of that for the previous year by £3,502,418. With respect to this over-all increase, the statistical records of the Stamp Duties Office which, as to the various sectional sources of revenue under this head, are kept on a gross basis but which, over all, have been reconciled with the relevant Treasury record, substantiate that such increase was largely the combined result of the following factors:—

- (i) higher stamp duty collections consistent with the increase in number and total value of real estate dealings; and
- (ii) the introduction in 1964–65 of new sources of stamp duty together with the variation, in that year, of many of the existing statutory terms pertaining to such duty.

As between the two years, according to the appropriate statistical record of the Stamps Office, the increase in collections of stamp duty on real estate dealings amounted to £895,906. In connexion with the new sources of revenue from stamp duty, an outline of the main financial provisions of the amending legislation and their principal effects on stamp duty collections for the year are given below :—

Stamps (Motor Car) Act 1964, No. 7193.—From the commencement of operation of this Act, viz., 14th December, 1964, stamp duty has been imposed on each application for registration and on each notice of acquisition of a motor car or trailer at the rate of £1 for every £100 of the market value and also for any fractional part of £100 of the market value of each such car or trailer. As stated at page 4 of this report, collections from this new revenue source from the date of its introduction up to the close of the year amounted to £1,212,280.

Stamps Act 1964, No. 7204.—Section 6 of this Act authorized the insertion in the Principal Act—the *Stamps Act 1958*—of several new provisions which, in effect, brought within the scope of liability for stamp duty, at specified rates, securities by way of mortgage or charge. The rates specified are—where the amount secured exceeds £100 but does not exceed £4,000—£2; and where the amount secured exceeds £4,000—£2 plus for every additional £100 or fractional part thereof—5s.

From the date these provisions became operative, viz., 4th January, 1965, to the close of the year, collections under this authority amounted to £137,239.

Section 7 empowered the incorporation in the Principal Act of authority for the collection, in respect of each contract of life insurance made or entered into, of stamp duty at stated rates, viz.—where the sum insured exceeds £100 but does not exceed £1,000, for every £100 or portion thereof—1s.; where the sum insured exceeds £1,000—10s. plus for every £100 or portion of the sum insured over £1,000—2s. From 4th January, 1965, to the close of the year, collections from approved insurers on this account amounted to £68,473.

Other sections of the *Stamps Act 1964, inter alia*, varied the existing terms of the Principal Act to provide—

- (i) for increases in stamp duty on bills of exchange including an increase from 3d. to 6d. in stamp duty on cheques;
- (ii) for the compulsory giving or tendering of receipts for amounts of £20 or over, except in respect of receipts not dutiable;
- (iii) instead of a flat rate of 3d. on receipts acknowledging amounts of £2 or upwards, a progressive scale of duty, providing for 3d. duty on receipts for £5 or over but less than £100; for 1s. duty on receipts for £100 or over but less than £500; and 2s. duty on receipts for £500 or over;
- (iv) for the substitution of a new scale of duty in respect of deeds of settlement or gift embodying for the purpose of calculation of such duty higher percentage rates and a greater number of property value groups; and
- (v) for the levying in accordance with a scale* of specified flat rates—mostly 30s.—of stamp duty on agreements and instruments not otherwise chargeable with duty except under the heading of receipts.

Also, according to Stamp Duty Office records, proceeds of sale of adhesive duty stamps rose from £2,342,807 in 1963–64 to £2,752,372 in 1964–65—a rise of £409,565. The extent to which the compulsory issue of receipts and the adoption of a progressive scale of duty thereon contributed to the above-mentioned increase obviously cannot be measured with any degree of accuracy.

(*NOTE :—The terms of this scale were slightly varied as from 25th May, 1965, by the *Stamps Act 1965, No. 7268*).

The increase in 1964-65 from 3d. to 6d. in stamp duty on cheques resulted in a substantial increase in the revenue from stamp duty in that year. In this regard, it should be explained that revenue from this specific source immediately following on the commencement of operation of the relevant amending legislation included the additional duty on cheque forms held by the several banks as at the date of increase in the rate of duty. Actually, revenue from printed duty on cheques rose from £1,277,075 in 1963-64 to £2,106,040 in 1964-65—an increase of £828,965.

There was no appreciable difference in the income from stamp duty as a result of the variations in the scale of duty in respect of deeds of settlement or gift as revenue from this source amounted to £302,970 as compared with £302,133 in the previous year.

Additional revenue from stamp duty amounting to £24,767 was obtained in 1964-65 as a result of the levying of stamp duty on agreements and instruments generally.

Other increases in revenue under the general head of "Duty Stamps" amounted to £177,375. However, the total, £3,755,407, of the increases mentioned herein on a gross basis was offset by reductions of £187,118 in collections of duty from approved vendors of goods under instalment purchase agreements and by a reduction of £38,767 in collections from other sources.

To make possible over-all reconciliation with Treasury figures, it should be explained that the gross collections from "Duty Stamps" amounted to £11,448,603 in 1963-64 and £14,978,126 in 1964-65 and that, in the two years, these gross amounts were reduced respectively by £34,863 and £61,968 on account of refunds and adjustments.

Registrar of Titles, Registrar of Companies, and Registrar-General.—The following comparative statement sets out the collections in each of the past four years:—

	1961-62.	1962-63.	1963-64.	1964-65.
	£	£	£	£
Fees, Titles Office	684,319	753,034	900,424	933,831
„ Registrar of Companies	489,954	409,223*	493,506	544,133
„ Registrar-General	33,349	34,897	38,287	39,422
Total	1,207,622	1,197,154	1,432,217	1,517,386

* Excluding cash in transit to Treasury on 30th June, 1963, £12,027.

The higher revenue from Titles Office fees was due to the increase in the number of lodgments from 282,407 in 1963-64 to 287,427 in 1964-65.

The increase in revenue collected at the Companies Office was due to an increase in the number of documents filed. Statistics furnished by the Registrar of Companies showed the relevant figures to be:—

	1962-63.	1963-64.	1964-65.
Number of documents filed—Companies Act	81,645	93,004	95,809
Number of documents filed—Business Names Act	19,072	27,744	39,656

The greater number of documents filed in conformity with the requirements of the *Business Names Act* 1962, No. 6853, is a result of the operation of that Act as from 6th August, 1962. Pursuant to the provisions thereof, renewals of registrations are required at the end of each triennial period, whereas, previously, registrations were not subject to periodical renewal.

Motor Car—Drivers' Licence Fees.—In the first half of 1964–65, when the triennial fee for a motor car driver's licence was One pound ten shillings, the whole of the collections from this fee was, subject to apportionment of the costs of collection between the participating funds, divided equally between the Country Roads Board Fund and the Municipalities Assistance Fund.

As from 1st January, 1965, by amendment of the *Motor Car Act* 1958 in terms of the *Motor Car (Fines and Drivers' Licence Fees) Act* 1964, the triennial fee for a driver's licence was increased to Three pounds and the share of the collections therefrom of each of the two funds was reduced to one-quarter. As to the other half of the new fee, i.e., One pound ten shillings, the collections therefrom are, in the absence of specific direction as to their disposal, payable to Consolidated Revenue and, in these circumstances, Consolidated Revenue is being charged its appropriate proportion of the costs of collection of the new fee.

In the half year ended 30th June, 1965, after recouping the Country Roads Board Fund the required proportion of the costs of collection, viz., £21,352, collections credited to Consolidated Revenue on this account amounted to £273,802.

Motor Car Third-party Insurance.—In conformity with the requirements of the *Motor Car (Insurance Surcharge) Act* 1959, as amended, an additional fee of £1 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 1964–65 was £1,088,381 as compared with £1,040,928 in the previous year.

Tattersall Duty.—The trustees of the will and estate of the late George Adams promote and conduct sweepstakes in Victoria under a licence granted in accordance with the provisions of the *Tattersall Consultations Act* 1958.

The number of consultations drawn and the total subscriptions in each of the years since the licence was granted are shown in the following statement:—

	5s. Units.	10s. Units.	£1 Units.	£2 Units.	£5 Units.	Subscriptions.
						£
1954–55	142	3	6	..	..	8,313,391
1955–56	149	10	7	..	..	8,850,000
1956–57	148	7	3	..	2	9,250,000
1957–58	152	9	7	..	..	8,950,000
1958–59	148	7	6	..	..	8,750,000
1959–60	158	10	5	..	..	9,300,000
1960–61	163	7	7	1	..	10,400,000
1961–62	160	6	8	..	..	9,700,000
1962–63	152	8	6	2	..	10,100,000
1963–64	153	7	6	4	..	10,450,000
1964–65	151	8	7	4	..	10,644,000
	1,676	82	68	11	2	104,707,391

In 1964–65, six of the £1 consultations were for 100,000 units. One £1 consultation, the No. 3 Lightning Melbourne Cup, was to consist of 100,000 units, but was finally closed at 94,000 units. Each of the other consultations consisted of 200,000 units.

Duty equivalent to 31 per centum of the total amount of subscriptions to the consultation is payable to the Treasurer within seven days after the drawing of each consultation. The duty payable and amounts shown in the Treasurer's accounts in each of the past three years are set out hereunder:—

	1962-63.	1963-64.	1964-65.
	£	£	£
Duty payable	3,202,236	3,304,282	3,356,541
Less amounts due for consultations drawn but payable in July of succeeding year	48,111	48,765	47,686
	3,154,125	3,255,517	3,308,855
Plus amounts paid and exchange credited in July on account of previous year	55,751	55,927	55,834
	3,209,876	3,311,444	3,364,689
Less exchange on balance held in New Zealand as at 30th June	7,816	7,069	6,081
	3,202,060	3,304,375	3,358,608

In terms of the agreement entered into with the Government of Tasmania in 1960, particulars of which have been given in previous reports, payments to that Government of its share of duty on the sale of tickets in Tasmania by Tattersall Consultations amounted to £73,250 as compared with £72,697 in the previous year.

As at the 30th June, 1965, the Tasmanian share of duty for consultations drawn late in May and in June amounted to £8,309. This amount together with the relevant duty for July and August is paid to the Tasmanian Government after the close of the year.

A somewhat similar agreement has, since 1954, existed with the Government of New Zealand. This agreement, which was originally for ten years, was extended for three years from 1st July, 1964.

With respect to the subscriptions in New Zealand, exchange on the balance held in the Government of Victoria Public Account in Wellington as at the end of each financial year is brought to account by the Treasurer early in the succeeding year when the quarterly payment is made to the Government of New Zealand in accordance with the terms of the agreement. As at the 30th June, 1965, the balance in this account was £22,398 (N.Z. currency).*

Payments to the Government of New Zealand during the year amounted to £153,585 as compared with £172,887 in 1963-64.

As at 30th June, 1965, an amount of £31,741, equivalent to £25,660 (N.Z.), was due to the Government of New Zealand. This sum represented the balance at credit in New Zealand, as at that date, and the respective sums on account of four consultations drawn immediately prior to the close of the year.

The shares of the Victorian, New Zealand and Tasmanian Governments of the duty from consultations drawn from 1st July, 1954, to 30th June, 1965, were, respectively, £30,812,342, £2,224,430 and £332,889.

By authority of Act No. 7196, a condition has now been inserted in Tattersall's licence authorizing the conduct of jackpot consultations. If the jackpot prize is not won, in a direct manner, in any one of the five jackpot consultations in a series, it increases over the series until, in the fifth and final consultation of the series, the distribution of the prize is determined on the basis of the conditions provided to meet such a situation.

* Excludes cash in transit, etc.

In terms of the licence, the prizes paid by the promoter must, in respect of each series of jackpot consultations, be not less than 60 per centum of the total subscriptions thereto and, in respect of all other consultations, not less than 60 per centum of the total amount of subscriptions to each of those consultations. Regarding New Zealand and Australian subscriptions as equivalent "units of account", the preceding conditions are being fulfilled. Unpaid prizes for consultations drawn over the period 1954-55 to 1961-62 (inclusive) totalled £68,928. This sum has been paid to the Unclaimed Moneys Fund in the Treasury.

Totalizator.—In recent years, the statutory provisions pertaining to totalizators have been varied as outlined below:—

- (1) The *Racing (Totalizators Extension) Act* 1960 provided, *inter alia*, for the establishment of the Totalizator Agency Board and authorized off-course betting on racecourse totalizators.
- (2) The *Racing (Off-course Doubles Totalizators) Act* 1961 permitted the operation of "off-course double totalizator" schemes.
- (3) The *Racing (Totalizators) Act* 1963 authorized, *inter alia*, the conduct of off-course totalizators on interstate horse-races.
- (4) The *Racing (Interstate Totalizators) Act* 1964, empowered the Totalizator Agency Board, with the approval of the Minister, to enter into any agreement or arrangement for the provision of off-course totalizator facilities in any other State or Territory of the Commonwealth where such facilities may be provided.
- (5) The *Racing (Amendment) Act* 1964 authorized, *inter alia*, off-course totalizator betting on races conducted in New Zealand.

On 15th October, 1964, as empowered by the *Racing (Interstate Totalizators) Act* 1964, the Totalizator Agency Board entered into an agreement with the Australian Capital Territory Totalizator Agency Board (Actab) for off-course betting, by persons in the Australian Capital Territory, on totalizators in Victoria.

By legislative direction, a commission of 12 per cent. of investments is made from all totalizator pools, and the resulting sum is divided as follows:—

1. On-course totalizators—

(i) at metropolitan meetings—

- (a) to Consolidated Revenue—in respect of doubles and quinella totalizators, one-third; and in respect of win and place totalizators, seven-twelfths;
- (b) to the racing club concerned—the remaining proportion in each case, i.e., two-thirds in respect of doubles and quinella totalizators and five-twelfths in respect of win and place totalizators;

(ii) at country meetings, in respect of all types of totalizators—

- (a) to Consolidated Revenue—one-sixth;
- (b) to the racing club concerned—five-sixths.

2. Off-course totalizators—

(i) Commission derived from Victorian investments—

- (a) to Consolidated Revenue—fifteen forty-eighths;
- (b) to a Treasury Trust Account* (Totalizator Agency Board Trust Account) for application by the Treasurer for or towards recouping racing clubs for expenses associated with the establishment of the Totalizator Agency Board and the financing of its operations—one forty-eighth; and
- (c) to the Totalizator Agency Board to be expended in the terms of the *Racing Act* 1958—the remaining two-thirds.

(ii) Commission derived from Australian Capital Territory investments—

- (a) to Consolidated Revenue—one-twelfth.
- (b) to the Australian Capital Territory Totalizator Agency Board—the remaining eleven-twelfths.

* The Treasurer may, by notice published in the *Government Gazette*, certify that such payment is no longer necessary. Thereafter, the proportion payable to Consolidated Revenue would be four-twelfths.

A summary of receipts by the Treasury on account of the Consolidated Revenue is as follows:—

	1963-64.			1964-65.		
	Horse Races.	Dog Races.	Total.	Horse Races.	Dog Races.	Total.
	£	£	£	£	£	£
PERCENTAGE—						
<i>Win and Place—</i>						
<i>Metropolitan—</i>						
On-course ..	472,724	22,690	.	481,276	25,916	..
Off-course ..	536,369	..	..	618,837	..	..
Actab .. ..	..	..	..	1,054	..	..
<i>Country—</i>						
On-course ..	29,562	902	..	39,702	942	..
Off-course ..	254,231	..	..	388,205	..	..
Actab .. ..	..	..	..	280	..	..
<i>Interstate—</i>						
On-course ..	34,859	..	..	48,550	..	..
Off-course ..	53,999	..	..	106,951	..	..
Actab .. ..	..	..	..	238	..	..
<i>Doubles and Quinella—</i>						
<i>Metropolitan—</i>						
On-course ..	188,209	31,649	..	208,537	38,418	..
Off-course ..	42,482	..	..	52,756	..	..
Actab .. ..	..	..	..	14	..	..
<i>Country—</i>						
On-course ..	15,561	1,050	..	19,839	1,411	..
Off-course ..	..	..	..	..	..	..
Actab .. ..	..	..	..	..	..	..
<i>Daily and Feature</i>						
<i>Doubles—</i>						
Off-course ..	569,489	..	..	872,419	..	..
Actab .. ..	..	..	..	676	..	..
	2,197,485	56,291		2,839,334	66,687	
			2,253,776			2,906,021
FRACTIONS—						
<i>Win and Place—</i>						
Metropolitan ..	246,225	3,054	..	191,876	5,936	..
Country	82,588	381	..	116,660	738	..
Interstate	24,648	..	..	24,308	..	..
<i>Doubles and Quinella—</i>						
Metropolitan ..	9,801	2,059	..	10,435	4,381	..
Country	1,661	153	..	2,871	155	..
<i>Daily and Feature</i>						
<i>Doubles</i>	16,602	..	..	30,778	..	..
	381,525	5,647		376,928	11,210	
			387,172			388,138
DIVIDENDS UNCLAIMED—						
Transferred to Consolidated Revenue ..	..	..	33,560	..	..	44,621
			2,674,508*			3,338,780*

* On-course—1963-64, £1,217,938 ; 1964-65, £1,297,350.

Off-course—1963-64, £1,456,570 ; 1964-65, £2,039,168.

Actab—1963-64, .. 1964-65, £2,262.

The credit to Consolidated Revenue as shown is specially appropriated to the Hospitals and Charities Fund which is required to repay to revenue the cost of administration of totalizator inspection, &c.

In addition to the above-mentioned credits, an amount of £135,945 was credited to the Totalizator Agency Board Trust Account for distribution to racing clubs in the terms of the *Racing (Totalizators Extension) Act 1960*.

Licensing Fund Payment.—The revenue of the Licensing Fund consists mainly of fees charged to licensed victuallers (£2,739,063), spirit merchants and grocers (£724,411), and clubs (£184,308).

As directed by the *Licensing Act* 1958, the surplus of receipts over payments for 1964-65 was transferred to Consolidated Revenue.

A comparative statement of receipts and payments of the Licensing Fund for the period 1st July, 1962 to 30th June, 1965, is given hereunder:—

	1962-63.		1963-64.		1964-65.
	£		£		£
Balance 1st July.. ..	330,736	..	330,736	..	330,736
<i>Receipts—</i>					
Licences and Club Certificates	3,429,119	..	3,451,820	..	3,708,090
Permits	45,971	..	50,244	..	54,077
Fees and Fines	34,713	..	32,864	..	31,983
Interest on Investments ..	10,052	..	10,052	..	10,052
Miscellaneous	1,299	..	1,297	..	601
<i>Total Receipts for the Year</i> ..	3,521,154	..	3,546,277	..	3,804,803
<i>Payments—</i>					
Salaries and other Administrative Expenses	72,604	..	79,816	..	84,008
Cost of policing Act	58,664	..	65,080	..	70,020
Payments to Municipalities ..	56,416	..	56,244	..	55,944
Liquor Referendum .. ..	..	..	..	..	189
Payment to Police Superannuation Fund	23,000	..	23,000	..	23,000
Compensation	7,610	..	2,725	..	2,050
<i>Total Payments for the Year</i> ..	218,294	..	226,865	..	235,211
<i>Transfer to Consolidated Revenue</i> ..	3,302,860	..	3,319,412	..	3,569,592
Balance 30th June	330,736	..	330,736	..	330,736
<i>Percentage of Revenue Transfer to Total Receipts</i>	93·8	..	93·6	..	93·8

The following statement shows the variations of Revenue Receipts from the Budget Estimate in 1964-65.

—	Budget Estimate.	Revenue.	Excess + Deficiency—
	£	£	£
PART I.			
State Taxes—			
Probate Duty	15,650,000	15,807,145	157,145+
Land Tax	9,400,000	9,862,470	462,470+
Entertainments Tax	260,000	258,113	1,887—
Income Tax (Arrears) .. .. .	..	576	576+
Unemployment Relief Tax (Arrears) .. .. .	..	140	140+
Motor Car Third-party Insurance	1,125,000	1,088,381	36,619—
Totalizator	3,300,000	3,338,780	38,780+
Tattersall Duty	3,400,000	3,358,608	41,392—
Betting and Bookmakers' Turnover Tax	1,605,000	1,615,639	10,639+
Duty on Insurance Business	3,250,000	3,367,354	117,354+
Stamp Duty	15,300,000	14,916,158	383,842—
Registration Fees—Factories, Shops &c.	322,000	296,007	25,993—
Licensing Fund Payment	3,450,000	3,569,592	119,592+
Auctioneers' and other Licences	627,000	567,705	59,295—
Interest	14,538,500	14,601,467	62,967+
Territorial	3,624,750	3,454,020	170,730—
Water and other State Works	7,037,200	7,324,712	287,512+
Ports and Harbors	938,000	1,183,762	245,762+
Fines	1,339,000	1,315,330	23,670—
Fees—Titles Office and Registrar-General, &c.	2,060,200	1,926,485	133,715—
Departmental	6,348,500	6,208,041	140,459—
Repayment of Revenue Advances	8,000	10,825	2,825+
Housing Agreement	1,538,000	1,527,991	10,009—
Recoup Sinking Fund Contributions	425,000	706,158	281,158+
Recoup Exchange, &c.	176,000	164,995	11,005—
Other Receipts	3,596,356	3,235,159	361,197—
Commonwealth Financial Agreement	2,127,159	2,127,159	..
Commonwealth States Grants Act 1959	85,648,000	85,874,849	226,849+
Transfers from Trust Funds	2,112,789	1,612,893	499,896—
Total Revenue Part I.	189,206,454	189,320,514	114,060+
PART II.			
Railways	49,214,365	51,013,395	1,799,030+
Total Revenue	238,420,819	240,333,909	1,913,090+

EXPENDITURE.

The expenditure charged against income was more than the outlay for 1963-64 by the amount of £17,896,817. A comparison of the figures for the two years under the separate divisions of votes and special appropriations is given in the following statement:—

	1963-64.	1964-65.		£
<i>Votes—Part I.—</i>	£	£		£
Education	51,325,525	56,015,712	Increase	4,690,187
Chief Secretary	14,781,147	15,832,290	„	1,051,143
Health	21,207,096	22,632,394	„	1,425,298
Treasurer	9,058,223	10,106,372	„	1,048,149
Attorney-General	2,941,604	3,085,355	„	143,751
Agriculture	2,924,015	3,155,971	„	231,956
Water Supply	4,608,576	4,971,079	„	362,503
Labour and Industry	463,318	470,483	„	7,165
Local Government	151,538	170,895	„	19,357
Parliament	224,587	226,308	„	1,721
Other	483,981	487,868	„	3,887
Public Works	3,312,687	3,510,827	„	198,140
Lands and Survey	1,512,676	1,529,333	„	16,657
Forests	1,326,383	1,513,989	„	187,606
Premier	1,027,080	1,091,856	„	64,776
State Coal Mine	450,010	427,342	Decrease	22,668
	<u>115,798,446</u>	<u>125,228,074</u>	Increase	<u>9,429,628</u>
<i>Special Appropriations—Part I.—</i>				
Interest Including Exchange *	39,986,271	43,086,880	Increase	3,100,609
National Debt Sinking Fund	7,181,967	7,713,589	„	531,622
Repayment of Advances—				
Commonwealth—State Housing Agreement and Commonwealth—State Soldier Settlement Account	1,443,463	1,584,346	„	140,883
Loan Expenses	25,691	23,003	Decrease	2,688
Total Debt Charges	<u>48,637,392</u>	<u>52,407,818</u>	Increase	<u>3,770,426</u>
Less Charged to Railways and included in Part II. .. .. .	..	1,592,815	..	1,592,815
	<u>48,637,392</u>	<u>50,815,003</u>	Increase	<u>2,177,611</u>
Charities Fund (Totalizator)	2,674,508	3,338,780	„	664,272
Endowments and Grants	1,947,193	2,046,839	„	99,646
Charities and Mental Funds (Tattersall)	3,304,375	3,358,608	„	54,233
Pensions	2,418,978	2,676,544	„	257,566
Other	1,467,954	1,542,377	„	74,423
	<u>60,450,400</u>	<u>63,778,151</u>	„	<u>3,327,751</u>
<i>Votes—Part II.—Railways</i>	43,201,222	47,081,324	Increase	3,880,102
<i>Special Appropriations—Part II.—</i>				
Railway Debt Charges .. .. .	..	1,592,815	„	1,592,815
Railways—other than Railway Debt Charges	2,987,024	2,653,545	Decrease	333,479
	<u>46,188,246</u>	<u>51,327,684</u>	Increase	<u>5,139,438</u>
Grand Total †	<u>222,437,092</u>	<u>240,333,909</u>	„	<u>17,896,817</u>

* Additional interest voted in 1963-64, £34,116, and in 1964-65, £35,479.

† Includes charges to Treasurer's Advance pending Parliamentary authority.

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

A major expenditure group, which comprises endowments and subsidies, contributions to various funds and bodies and grants for health, education and other social services is provided partly from special appropriations and partly from departmental votes. For the purposes of this report, expenditure falling within this group and pertaining to Health, Education and Forests is dealt with under related headings. Details of the remainder are given in Appendices C1-2.

The synopsis hereunder provides a comparison of budgeted and actual expenditure.

	Appropriations.	Expended Under Parliamentary Authority.	Unexpended.	Expended From Treasurer's Advance.	Expenditure for the Year.
	£	£	£	£	£
<i>Votes.—Part I.</i>					
Parliament	223,240	222,251	989	4,057	226,308
Premier	1,088,253	1,071,631	16,622	20,225	1,091,856
Chief Secretary	15,844,165	15,694,106	150,059	138,184	15,832,290
Labour and Industry	475,075	467,984	7,091	2,499	470,483
Education	56,418,480	55,962,959	455,521	52,753	56,015,712
Attorney-General	3,051,322	3,022,560	28,762	62,795	3,085,355
Treasurer	10,105,028	9,988,013	117,015	118,359	10,106,372
Lands and Survey	1,542,214	1,527,334	14,880	1,999	1,529,333
Public Works	3,475,954	3,445,529	30,425	65,298	3,510,827
Local Government	176,927	170,475	6,452	420	170,895
Mines	453,103	436,129	16,974	..	436,129
Forests	1,378,346	1,378,344	2	135,645	1,513,989
Water Supply	4,949,019	4,900,179	48,840	70,900	4,971,079
Agriculture	3,133,869	3,111,132	22,737	44,839	3,155,971
Health	22,993,967	22,610,384	383,583	22,010	22,632,394
Railway Construction	41,901	41,112	789	..	41,112
State Coal Mine	416,674	410,002	6,672	17,340	427,342
Transport	11,598	10,627	971	..	10,627
	125,779,135	124,470,751	1,308,384	757,323	125,228,074
<i>Votes.—Part II.</i>					
Railways	46,276,065	46,276,064	1	805,260	47,081,324
Total Votes	172,055,200	170,746,815	1,308,385	1,562,583	172,309,398
<i>Special Appropriations—</i>					
Part I.	63,778,151	63,778,151	..	..	63,778,151
Part II.	4,246,360	4,246,360	..	..	4,246,360
Total Special Appropriations	68,024,511	68,024,511	..	..	68,024,511
Grand Total	240,079,711	238,771,326	1,308,385	1,562,583	240,333,909

LOAN FUND.

The State incurred additional loan liability of £60,545,850 on account of moneys raised for works and associated purposes during the year, compared with £55,633,041 in the previous year—an increase of £4,912,809. The sources of the funds were—five public loans in Australia and the proceeds of the sale of Special Bonds.

After provision for flotation expenses and discounts had been made, the proceeds of these loans, together with the balance brought forward and moneys from the repayments of advances, allowed the implementation of a programme of works costing £63,927,399.

These transactions may be summarized as follows:—

Liability—	£
Australian Loans	60,545,850
<i>Less—</i>	<i>£</i>
Discounts capitalized .. .	68,850
Expenses of Flotation	147,479
	216,329
Balance forward 1st July, 1964	60,329,521
Repayments	218,990
	3,794,086
	64,342,597
<i>Less</i> Special Redemption	180
	64,342,417
Works—	
Under Parliamentary Authority	63,474,606
Charged to Treasurer's Advance pending Authority	452,793
	63,927,399
 Loan Cash on Hand at 30th June, 1965	 415,018

The above statement takes no account of £17,179,882 advanced by the Commonwealth Government under the Commonwealth-State Housing Agreement. The total amount now owing to the Commonwealth on advances for housing purposes is £181,367,316. There is also a liability to the Commonwealth of £6,832,029 on account of special assistance loans for Soldier Settlement. In a consideration of the debt position of the State, cognizance must be taken of these liabilities, although they do not form part of the public debt statements included in the Treasurer's Finance Statement.

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

Loan.	4½ Per Cent.	4½ Per Cent.	4½ Per Cent.	5 Per Cent.	5½ Per Cent.	Special Bonds.	Price of Issue.	Date of Maturity.
	£	£	£	£	£	£	£ s. d.	
No. 149	1,438,000	..	..	..	..	..	99 10 0	15.5.67
	..	..	1,362,000	..	..	..	Par.	15.2.75
No. 151	1,355,000	..	..	12,010,000	..	..	99 10 0	15.5.84
	..	..	2,068,000	..	..	..	Par.	15.5.67
No. 152	956,000	..	..	8,409,000	..	..	99 12 6	15.2.75
	..	2,524,000	..	..	..	..	Par.	15.10.84
No. 153	..	..	..	4,717,000	..	..	99 5 0	15.10.66
	..	..	..	1,206,000	..	..	Par.	15.9.71
No. 155	..	..	..	686,000	..	..	99 0 0	15.5.85
	..	..	..	..	2,049,000	..	Par.	15.2.68
Series J. Series K.	..	..	..	2,806,000	..	..	99 0 0	15.5.85
	..	..	..	2,551,000	..	..	Par.	15.2.75
	..	..	..	..	11,735,090	..	99 0 0	15.5.85
	..	..	..	..	..	341,860	Par.	1.6.71
	..	..	..	..	..	4,331,900	Par.	1.1.72
	3,749,000	2,524,000	3,430,000	32,385,000	13,784,090	4,673,760		

Expenses associated with the raising of loans for works purposes were met from the Loan Fund, a total amount of £147,479 being so charged during the year. Of this sum, £132,443 was in respect of loans raised in the year, and £15,036 related to loans raised in 1963-64. The expenses in respect of loans Nos. 153 and 155 are not yet known, and will be met in the current year.

Particulars of public loans raised to meet the conversion of securities which matured in 1964-65 are:—

Securities Dealt With.		Redeemed by Sinking Fund (a) and Loan Proceeds (b)	Converted to—					Price of Issue.	Date of Maturity.
Rate and Maturity.	Amount.		4½ Per Cent.	4¼ Per Cent.	5 Per Cent.	5½ Per Cent.	Special Bonds.		
	£	£	£	£	£	£	£	£ s. d.	
3½ per cent. 15.8.64	44,603,502	5,527,382 (a)	7,302,000	..	..	..	..	99 10 0	15.5.67
	..	..	..	7,280,000	..	..	..	Par.	15.2.75
	..	..	..	..	21,058,120	..	..	Par.	15.5.84
	..	..	..	..	..	..	3,436,000	Par.	1.1.72
4¼ per cent. 15.4.65	8,704,000	1,411,000 (a)	..	..	2,309,000	..	..	Par.	15.2.68
	..	2,860,000 (b)	..	..	2,051,000	..	..	99 0 0	15.2.75
	..	..	..	..	..	40,000	..	Par.	15.5.85
	..	..	..	..	..	..	33,000	Par.	1.10.72
5 per cent. 15.4.65	19,901,300	182,300 (a)	..	..	6,360,000	..	..	Par.	15.2.68
	..	..	..	..	3,200,000	..	..	99 0 0	15.2.75
	..	..	..	..	..	9,817,000	..	Par.	15.5.85
	..	..	..	..	..	..	342,000	Par.	1.10.72
	73,208,802	7,120,682 (a) 2,860,000 (b)	7,302,000	7,280,000	34,978,120	9,857,000	3,811,000	..	..

Loan proceeds were applied to the redemption of securities having a face value of £2,860,000. Details are:—

Value of Securities Redeemed.	Securities Issued.			
	5 Per Cent.	5½ Per Cent.	Price of Issue.	Date of Maturity.
£	£	£	£	
2,860,000	1,144,000	..	Par.	15.2.68
	..	1,716,000	Par.	15.5.85
2,860,000	1,144,000	1,716,000		

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

Series.	Redeemed.			Funds Provided by—	
	Maturing.	Face Value.	Cost.	Series "J".	Series "K".
		£	£	£	£
A	1.1.66	127,900	130,458	16,932	113,526
B	1.10.66	146,600	149,107	14,948	134,159
C	1.6.67	95,600	96,556	11,514	85,042
D	1.1.68	77,600	78,376	11,817	66,559
E	1.6.68	40,000	40,400	4,646	35,754
F	1.1.69	188,400	190,284	28,684	161,600
G	1.10.69	216,500	218,027	21,900	196,127
H	1.6.70	200,100	200,100	17,700	182,400
I	1.10.70	688,100	688,100	55,800	632,300
J	1.6.71	227,800	227,800	..	227,800
	..	2,008,600	2,019,208	183,941	1,835,267

Public Debt and Debt Charges.—The Public Debt statement discloses that the Public Debt increased during the year by £51,729,198 and that the total amount of the indebtedness at 30th June, 1965, amounted to £815,501,570. Of this total, £759,240,619 represented internal and £56,260,951 external borrowing. The repayment of the external debt will entail the use of sterling or dollars as the case may be.

After deducting cash at credit of the National Debt Sinking Fund from the amount of the Public Debt, the State's capital liability to the Commonwealth was £814,952,591. This sum was accounted for in the Treasurer's Statements as follows:—

Total liability apportioned as between the various services of the State on account of expenditure from Loan Fund	£	£
	..	938,137,158
<i>Plus</i> —Unapportioned Liability—Loan Cash on Hand .. .. .	..	415,018
		<u>938,552,176</u>
<i>Less</i> —Exchange premium—		
London	2,137,862	
New York.. .. .	9,330,419	
Canada	1,029,306	
Switzerland	813,430	
Netherlands	345,000	
	<u>13,656,017</u>	
		924,896,159
<i>Less</i> —Equity in National Debt Sinking Fund—		
Cancelled Securities .. .. .	..	109,394,589
		<u>815,501,570</u>
		815,501,570
<i>Less</i> —Share of Cash—National Debt Sinking Fund		548,979
		<u>814,952,591</u>
		814,952,591

The charges on the Public Debt, excluding loan conversion expenses, were—

	£	£
Interest—On Funded Debt	35,430,476	
Loan Management and Expenses of Paying Interest	126,875	
Exchange on Overseas Interest	1,199,174	
	<u>36,756,525</u>	
		36,756,525
Sinking Fund—State's contributions to National Debt Sinking Fund—for details see section on the National Debt Sinking Fund .. .. .	..	7,713,589
		<u>44,470,114</u>
		44,470,114
Total Debt Charges .. .. .	..	44,470,114
The comparable figure for the previous year was ..	..	<u>41,359,543</u>
		41,359,543

Loan Expenditure.—The net loan expenditure in the year 1964–65 according to Treasury records was £63,927,399 compared with £58,875,165 for 1963–64 and £55,332,644 for 1962–63. The details are summarized below:—

	1962–63.	1963–64.	1964–65.
	£	£	£
Railways	7,809,221	7,810,185	7,750,311
Water Supply	8,053,886	8,595,836	8,947,929
Forests	1,025,098	1,012,732	1,045,902
Agriculture	318,218	560,703	501,890
Country Roads	301,000	333,000	731,000
Dredges	89,646	265,009	573,381
King-street Bridge	66,490	71,180	Cr. 83,775
Kings Bridge Restoration .. .. .	..	..	389,645
Electricity Commission	8,500,000	8,000,000	8,000,000
Gas and Fuel Corporation	50,000	30,000	40,000
Westernport Development .. .. .	..	84,980	1,384,458
Advances—Sundry	118,579	189,186	417,648
Country Sewerage	409,864	605,048	604,831
Hospitals	5,561,169	5,691,114	5,710,993
Mental Hospitals	984,201	1,759,944	2,064,327
Municipal Subsidies	952,299	855,556	1,117,062
Police Buildings	391,606	490,140	517,196
Rural Finance	665,000	650,000	490,000
Sanatoria, &c.	24,049	96,063	274,128
School Buildings	11,747,420	12,187,349	12,824,482
Soldier Settlement	90,834	92,734	38,949
Land Settlement	1,414,165	1,136,151	1,214,786
Slum Reclamation	840,400	819,427	837,592
Universities—			
La Trobe .. .. .	..	..	30,570
Melbourne	423,298	746,679	459,275
Monash	1,072,747	807,725	1,370,000
National Art Gallery and Cultural Centre	500,000	820,000	800,000
Public Offices	823,823	1,257,474	1,342,273
Vermin and Noxious Weeds	713,395	829,118	996,573
Other Public Works	2,386,236	3,077,832	3,535,973
Total within Financial Agreement	55,332,644	58,875,165	63,927,399
Commonwealth—State Housing Agreement*	13,299,750	13,813,750	17,179,882
	68,632,394	72,688,915	81,107,281

* Amounts shown are the Commonwealth advances to the State for the purposes indicated.

The items included in the above statement are examined in greater detail in the appropriate departmental and other sections of this report.

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

	£	£
Balance at 1st July, 1964		624,123
Contributions 1964-65—		
<i>Commonwealth—</i>		
2s. 6d. per centum per annum on debt prior to 30th June, 1927	170,436	
5s. per centum per annum on new debt since 1927	1,798,271	
	—————	1,968,707
<i>State—</i>		
5s. per centum per annum on debt prior to 1927	340,872	
5s. per centum per annum on new debt since 1927	1,746,752	
£4 per centum per annum on deficit loans ..	778,161	
15s. per centum per annum on deficit loans ..	29,963	
15s. per centum per annum on water supply replacements and imported coal and materials	41,203	
£1 15s. per centum per annum on drought relief and deferred maintenance of railways and schools	179,784	
£2 per centum per annum on tourist resorts development	5,870	
Various, on discount and expenses overseas loans	50,901	
£4 10s. per centum per annum on cancelled securities	4,540,083	
	—————	7,713,589
		—————
		10,306,419
<i>Less</i> interest—temporary investment and repurchased securities (net)		2,007
		—————
		10,304,412
Securities repurchased and redeemed, £8,942,680 at a cost of ..		9,755,433
		—————
Balance of cash in Sinking Fund at 30th June, 1965		548,979
		—————

The total amount of securities repurchased or redeemed and cancelled on account of this State since the inception of the scheme is now £109,394,589 at a cost, including exchange on overseas purchases, of £114,084,029.

TREASURER'S ADVANCE.

The *Public Account Act* 1958 authorizes the temporary issue and application from the Public Account of any sum or sums (not exceeding in all Three million pounds) required to be provided for advances to the Treasurer to enable him to meet urgent claims that may arise before Parliamentary sanction therefor is obtained.

Under the authority cited above, the following expenditure stood charged to Treasurer's Advance as at 30th June, 1965 :—

	£
Expenditure from Consolidated Revenue pending the passing of the final Supplementary Estimates for the year ..	1,562,583
Expenditure from Loan moneys pending Parliamentary sanction	452,793
Total	2,015,376

In his statement of expenditure from the Consolidated Revenue commencing at page 24 of his Finance Statement, the Treasurer furnishes details of the amount of £1,562,583 charged to Treasurer's Advance. With respect to the expenditure of £452,793 from loan moneys, he has submitted to me the particulars contained in Appendix "A" to this report.

TRANSFERS PURSUANT TO SECTION 25 OF THE 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".

Sub-section (2) of Section 47 of the *Audit Act* directs that I shall annex or append to my report a copy of every Order in Council issued under the provisions of sub-section (1) of Section 25 of the *Audit Act* cited above. Because of the number of Orders involved, strict compliance with this statutory direction is impracticable. However, substantial conformity therewith is achieved by the submission of the relevant details in summary form in Appendix "F" to this report.

AGRICULTURE DEPARTMENT.

This Department is engaged in the administration of legislation relating to primary production, 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.

The expenditure (excluding that of the Victoria Dock Cool Stores) of the Department from revenue for the year was £3,193,841, against which there were departmental receipts of £535,247, resulting in a net cost to revenue of £2,658,594, as compared with £2,489,425 for the previous year. Details of expenditure and receipts for the two years are:—

	<i>Expenditure.</i>	1963-64.	1964-65.
Vote—		£	£
Department of Agriculture .. .. .	.. .. .	2,935,983*	3,155,971
Treasurer—Accident Insurance .. .. .	.. .. .	18,088	17,606
Treasurer—Pay-roll Tax .. .. .	.. .. .	53,974	61,478
Public Works—Maintenance and Rent of Buildings .. .. .	.. .. .	13,774†	19,484
Special Appropriations .. .. .	.. .. .	55,312	56,303
		<hr/>	<hr/>
		3,077,131	3,310,842
<i>Less</i> Business undertaking—Victoria Dock Cool Stores .. .. .	.. .. .	111,100	117,001
		<hr/>	<hr/>
		2,966,031	3,193,841
		<hr/>	<hr/>
	<i>Receipts.</i>		
Departmental .. .. .	.. .. .	665,755	752,268
<i>Less</i> Victoria Dock Cool Stores .. .. .	.. .. .	228,822	266,716
		<hr/>	<hr/>
		436,933	485,552
Licences—Dairies, Dairy Farms, Dairy Produce, Factories, &c. (included under heading—Taxation) .. .. .	.. .. .	39,673	49,695
		<hr/>	<hr/>
		476,606	535,247
		<hr/>	<hr/>
Net outgoing (excluding interest, sinking fund, and proportion of Government contribution to superannuation) .. .. .	.. .. .	2,489,425	2,658,594
		<hr/>	<hr/>

* Includes £11,968 by way of *ex gratia* payments under authority of Treasury Vote—Division 50A.
 † Maintenance expenditure for 1963-64 was not available and was, therefore, not included in this figure.

Expenditure from Loan.

Expenditure from loan on the acquisition of properties and on works and buildings at Agricultural and Dairy Colleges, Research Farms and the Victoria Dock Cool Stores, &c., amounted to £501,890.

Cattle Compensation Vote and Fund.

It was brought to notice during the year that a country meat company which has now ceased operations, defaulted in the payment of £1,138 to the agent of the Department of Agriculture at a country abattoirs for carcasses of cattle condemned by the Department and sold by him. Abattoir charges due by the agent to the firm amounted to £147, leaving a net obligation of £991. The default of the company resulted in overcharges to the Cattle Compensation Vote or Fund.

Following this default, the agency system operated by the Department was terminated, and appropriate amendments were made to the Cattle Compensation Act (No. 6216) and the Swine Act (No. 6389).

Agricultural Colleges and Research Farms.

In various parts of the State, the Department has established and maintained colleges and research farms for the purpose of agricultural education and to develop improved farming methods in respect of all classes of primary production.

Departmental statements of cash receipts and payments are prepared for all educational and research institutions, and a summary of these statements is given in Appendix "E" to this report.

The receipts shown in Appendix "E", amounting to £306,573, were credited to Consolidated Revenue. Payments amounting to £1,195,199 were made from Consolidated Revenue and Loan Fund on account of general maintenance and capital items.

The capital items comprised :—

	£	£
Properties :—		
Pastoral Research Station, Hamilton	103,011	
Research Station, Rutherglen	17,644	
Horticultural Research Station, Mildura	18,325	
	—————	138,980
Buildings :—		
Dookie Agricultural College	15,886	
Longerenong Agricultural College	32,124	
School of Dairy Technology, Werribee	21,012	
Other locations	20,742	
	—————	89,764
Plant and Equipment :—		
Dookie Agricultural College	12,286	
Longerenong Agricultural College	8,981	
Horticultural Research Station, Tatura	6,397	
State Research Farm, Werribee	9,892	
Other locations	28,154	
	—————	65,710
Water Reticulation :—		
Horticultural Research Station, Scoresby	11,067	
Other locations	19,347	
	—————	30,414
Electrical Installation, &c., various locations .. ..	..	9,659
Furniture, various locations .. ..	..	10,794
Fencing, various locations .. ..	..	11,007
Roads, various locations .. ..	..	1,957
	—————	358,285

Victoria Dock Cool Stores.

A profit of £26,208 resulted from operations during the year ended 30th June, 1965. The following comparative statement summarizes transactions during each of the last three years :—

	1962-63.		1963-64.		1964-65.	
	£	£	£	£	£	£
<i>Revenue.</i>						
Storage Charges	233,651		221,433		220,556	
Shipping Charges	6,444		2,176		3,008	
Rental	2,086		703		2,055	
		242,181		224,312		225,619
<i>Expenditure.</i>						
Salaries and Wages, &c.	78,607		82,768		85,407	
Pay-roll Tax	1,968		2,046		2,154	
Rent of Site	2,706		2,708		2,708	
Agency and Commission	10,946		10,691		10,296	
Maintenance*	9,651		13,610		17,793	
Electrical Energy	18,496		17,993		19,613	
Other Charges (net)	3,563		847		3,144	
Depreciation	18,106		20,076		22,188	
Interest on Capital	31,153		33,804		36,108	
		175,196		184,543		199,411
Net operating profit		66,985		39,769		26,208

* With respect to this item in 1963-64, attention is invited to the observation in relation to maintenance of buildings, &c., by the Public Works Department under "Public Works" in the previous Report.

During the year, capital provided by the State was increased by £86,360. This amount was provided from Loan Fund and from Revenue for the purposes of a programme of replacements and improvements of a section of storage space erected in 1914 and of certain machinery installed in that year.

The interest charge shown in the statement is based on capital which has been provided by the State from Loan and Revenue sources—principally the former. The balance of receipts by Consolidated Revenue over working and other expenses provided therefrom has not, so far, been treated as a contra to the capital provided by the State in arriving at the notional charge for interest.

30.6.1964.	ABRIDGED BALANCE-SHEET.						30.6.1965.
£							£
782,114	Capital provided by State						868,474
74,696	Contribution by Commonwealth, &c.						74,696
10,726	Sundry Creditors						6,619
2,961	Reserve						2,961
						£	
477,122	Profit forward					477,122	
..	Plus Net Operating Profit					26,208	
							503,330
1,347,619							1,456,080
Fixed Assets at cost less depreciation :—							
479,570	Buildings						551,343
126,054	Machinery, Plant, &c.						120,843
13,524	Roads and Railway Sidings						13,301
							685,487
619,148							
3,787	Stores on hand						3,821
102,476	Sundry Debtors						60,192
622,208	Balance of payments to Consolidated Revenue over working and other expenses provided therefrom						706,580
1,347,619							1,456,080

CHIEF SECRETARY'S DEPARTMENT.

The accounts of a number of sub-departments and branches controlled by the Chief Secretary are discussed hereunder. Exceptions are the accounts of the State Accident and State Motor Car Insurance Offices which are discussed later in this report.

Police Department.

Police Services.—The net cost to revenue of these services was £9,328,231. In determining net cost, it is the practice to include not only the relevant expenditure under the authority of special appropriations and the annual police vote but also, to the extent to which applicable, the expenditure under the authority of votes of other Departments. The revenue associated with the police services has been deducted. A comparison of expenditure and revenue for the year with corresponding figures for the previous year is:—

	1963-64.	1964-65.
<i>Expenditure—</i>	£	£
Salaries and Allowances	8,176,080 *	8,596,849
Overtime and Penalty Rates	83,021	98,124
Payments in lieu of Long Service Leave	89,752	83,027
Payroll Tax	203,449	215,124
Travelling and Subsistence	254,499	270,407
Office Requisites and Equipment, Printing, &c.	89,976	90,862
Postal and Telephone Expenses	165,421	167,975
Motor Vehicles, Purchase and Running Expenses	339,973	378,390
Fuel, Light, Power, and Water	85,427	87,492
Maintenance and Rent of Buildings	9,142 †	35,428
Police Service Board	2,822	3,198
Workers' Compensation Insurance	92,751	99,115
Pensions and Superannuation	62,081	93,570
Other Expenditure	208,303	222,427
	9,862,697	10,441,988
 <i>Revenue—</i>		
Police Services	545,013	506,742
Firearms and other Licences	4,352	4,601
Recoup from Country Roads Board Fund—Cost Motor Registration Branch	515,778	602,414
	1,065,143	1,113,757
 <i>Net Cost to Revenue</i>	8,797,554	9,328,231
 Expenditure on Police Buildings and Residences Financed from Loan Fund	490,140	517,196

* Includes £47,242 by way of *ex-gratia* payments under authority of Treasury Vote—Division 50A.

† Maintenance expenditure for 1963-64 was not available and was, therefore, not included in this figure.

The increase in the item, "Salaries and Allowances", is the result of—

- (i) Determination No. 111 of the Police Service Board granting salary increases as from 1st July, 1964; and
- (ii) A net increase of 75 in the strength of the Police Force during 1964-65.

The reduction in revenue from police services reflects the effect of the cessation, as at 30th June, 1964, of the arrangement whereby the Country Roads Board recouped the Police Department for the salaries and other expenses of the force concerned with policing the Motor Car Acts.

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

Collections arising from the above functions are, by statutory direction, credited as set out hereunder:—

1963-64.		1964-65.
£		£ £ £
	<i>Country Roads Board Fund—</i>	
10,968,752	Motor Fees	11,729,208
297,541	Drivers' Licence Fees (One-half to 31.12.1964 ; one-quarter from 1.1.1965)	301,561
848,911	Additional Fees (two-thirds)	761,705
7,765	Examiners' Licences	4,179
		————— 12,796,653
	<i>Level Crossings Fund—</i>	
424,456	Additional Fees (one-third)	380,852
	<i>Municipalities Assistance Fund—</i>	
297,541	Drivers' Licence Fees (One-half to 31.12.1964 ; one-quarter from 1.1.1965)	301,561
	<i>Transport Regulation Fund—</i>	
5,361	Omnibus Registration Fees	5,886
	<i>Roads (Special Projects) Fund—</i>	
..	Additions to Registration Fees	12,176
	<i>Consolidated Revenue—</i>	
..	Drivers' Licence Fees (one-half from 1.1.1965)	295,154
<u>12,850,327</u>	Total Fees under Motor Car Act	<u>.. 13,792,282</u>
	<i>Third-party Insurance—</i>	
6,703,039	Premiums on behalf of Approved Insurers	7,214,174
69,224	Motor Car (Hospital Payments) Fund	74,031
	<i>Consolidated Revenue—</i>	
786,912	No. 1 Taxation (Surcharges)	841,570
		————— *8,129,775
	<i>Stamp Duty—Consolidated Revenue—</i>	
..	Duty on registration or acquisition of a motor car or trailer	1,212,280
<u>20,409,502</u>	Total Collections	<u>23,134,337</u>

* Excludes collections by authorized insurers.

As indicated above, fees collected by the Branch under the Motor Car Act increased by £941,955. The higher collections from this source in 1964-65 were due to —

- (i) the greater number of motor cars registered—1,084,301, as compared with 1,031,382 in 1963-64 ;
- (ii) increased fees pursuant to the provisions of the *Motor Car (Fines and Drivers' Licence Fees) Act* 1964 in respect of drivers' licences issued on and from 1st January, 1965 ; and
- (iii) to a lesser extent increased motor car registration fees under the *Roads (Special Projects) Act* 1965. This Act, which came into operation immediately after the close of the year under review, requires that so much of the registration fees received as is attributable to the alterations to the rates, as set out in the schedule to the Act, is to be paid to the Roads (Special Projects) Fund. Actually, a sum of £12,176, representing fees paid in advance under this legislation, was received up to the close of the year.

As against the higher collections already referred to there was a reduction of £130,810 in revenue from additional fees charged in respect of registrations and transfers. Major factors which contributed to this reduction were—

- (i) a full year's effect of the exemption of licensed second-hand dealers from liability to pay transfer fees based on a rate per horse-power unit and the substitution therefor of liability for payment of a fixed fee of £1 for each of the transfers in respect of which they were the transferees ; and
- (ii) also, a full year's effect of the cessation as from May, 1964, of the collection by the Branch of transfer fees in respect of vehicles repossessed by hire-purchase companies. This latter aspect is the subject of audit query.

Stamp duty payable pursuant to the provisions of the *Stamps (Motor Car) Act 1964*, amounting to £1,212,280, was collected from 14th December, 1964, the date of commencement of operation of the Act and, as shown in the preceding summary, was paid into Consolidated Revenue. Further reference to this Act is made on page 15 of this report.

Costs of collection in respect of fees under the Motor Car Act are apportioned between the participating funds, including Consolidated Revenue, with the exception that, in respect of amounts credited to the Level Crossings Fund and the Roads (Special Projects) Fund, the relevant costs of collection are borne by the Country Roads Board Fund. The costs of collection of stamp duty under the *Stamps (Motor Car) Act* are also borne by the Country Roads Board Fund.

SOCIAL WELFARE BRANCH.

This Branch is established on the basis of six divisions as listed hereunder :—

- Research and Statistics ;
- Family Welfare ;
- Youth Welfare ;
- Prisons ;
- Training ; and
- Probation and Parole.

The statement below shows both on a divisional and an over-all basis the expenditure and revenue and the net cost of the Branch to Consolidated Revenue for the past two years :—

Division.	1963-64.			1964-65.		
	Expenditure.	Revenue.	Net Cost.	Expenditure.	Revenue.	Net Cost.
	£	£	£	£	£	£
Administration and Research and Statistics	119,461	..	..	130,164	..	..
Family Welfare	1,439,124	..	..	1,524,075	..	..
Youth Welfare	445,403	..	..	539,664	..	..
	2,003,988	93,883	1,910,105	2,193,903	100,221	2,093,682
Prisons	1,258,503	174,985	1,083,518	1,345,133	167,859	1,177,274
Training	30,191	..	30,191	37,847	..	37,847
Probation and Parole	99,408	..	99,408	117,237	..	117,237
	3,392,090*	268,868	3,123,222*	3,694,120	268,080	3,426,040

* In 1963-64, the amount expended by the Public Works Department on maintenance and repairs to buildings under the control of the Social Welfare Branch was not available.

The following details are furnished in amplification of the information contained in the preceding summary :—

EXPENDITURE FROM CONSOLIDATED REVENUE.

Administration and Research and Statistics—	1963-64.		1964-65.	
	£	£	£	£
Salaries	60,058		66,229	
Overtime and penalty rates	1,459		1,111	
Payments in lieu of long service leave	1,650		226	
		63,167		67,566
Payroll Tax		1,327		1,404
Cadetships in Social Studies—Allowances .. .. .		..		2,500
Rent—Chelsea House		38,532		40,229
Other		16,435		18,465
		119,461		130,164

Provision of £2,500 for the new item, Cadetships in Social Studies—Allowances, was made in the Annual Appropriation Act for 1964-65. As indicated above, the whole of this provision was expended by way of allowances to the participants in the Branch's cadetship scheme. This scheme was, on 13th April, 1965, accorded statutory sanction by amendment of the *Social Welfare Act 1960* by the *Social Welfare (Cadetships) Act 1965*. However, it was only recently that the regulations embodying the terms and conditions under which the Minister may employ these cadets in the Branch were promulgated.

Family Welfare—	1963-64.		1964-65.	
	£	£	£	£
Salaries	116,450		129,471	
Overtime and penalty rates	1,789		779	
Payments in lieu of long service leave	656		921	
Payroll Tax	2,555		2,714	
School Books	10,324		11,065	
Other	18,514		19,480	
		150,288		164,430
Carried forward				

		1963-64.		1964-65.	
		£	£	£	£
	Brought forward		150,288		164,430
Maintenance of Wards—					
	In Departmental Establishments—				
	Salaries	221,401		231,456	
	Overtime and penalty rates	34,851		37,532	
	Payments in lieu of long service leave .. .. .	..		430	
	Provisions	48,101		47,039	
	Clothing	29,473		42,246	
	Light, power, fuel	11,966		14,391	
	Other	34,328		*36,590	
			380,120		409,684
	Boarded out in Children's Homes and Foster Homes		592,230		642,248
	Allowances for children (non-wards) in necessitous circumstances		316,486		307,713
			1,439,124		1,524,075

* Includes £5,198 expenditure on maintenance and repairs, &c., of buildings in 1964-65. As already indicated, the comparable figure for 1963-64 was not available.

As indicated in the summary, major variations were:—

- (i) *increases*—in salary costs, £13,021 at head office and £10,055 at departmental establishments; in clothing purchases, £12,773; and in respect of wards boarded out in children's homes and foster homes, £50,018; and
- (ii) *a decrease* of £8,773 in allowances for children (non-wards) in necessitous circumstances.

The rise in expenditure on salaries was chiefly the result of the progressive enlargement of head office and institutional staffs and the filling of vacant positions. The increased expenditure on clothing purchases was largely the effect of the payment for clothing supplied on orders outstanding as at the close of the previous year. The operation for a full year of increases granted from 1st October, 1963, was the main cause for the increase in payments on account of wards boarded out in homes.

The decrease in allowances paid on account of non-wards in necessitous circumstances was due to the reduction in the number of children requiring assistance under this head.

		1963-64.		1964-65.	
		£	£	£	£
<i>Youth Welfare—</i>					
	Salaries	29,067		39,309	
	Overtime and penalty rates	249		825	
	Payroll Tax	633		836	
	Other	8,033		6,250	
			37,982		47,220
Maintenance of Wards—					
	In Departmental Establishments—				
	Salaries	187,969		225,681	
	Overtime and penalty rates	28,166		33,599	
	Payments in lieu of long service leave	651		1,113	
	Provisions	36,461		41,837	
	Clothing	25,699		31,896	
	Light, power, fuel	16,129		15,402	
	Other	20,807		*35,227	
			315,882		384,755
	In non-Departmental Establishments		79,499		95,208
	Allowances to trainees		12,040		12,481
			445,403		539,664

* Includes £7,348 expenditure on maintenance and repairs, &c., of buildings in 1964-65. As already indicated, the comparable figure for 1963-64 was not available.

Increases of £10,242 and £37,712 in the respective salary costs at head office and in institutions were due mainly to the creation of additional offices and the filling of vacant positions.

<i>Prisons—</i>	1963-64.		1964-65.	
	£	£	£	£
Salaries	630,341		660,133	
Overtime and penalty rates	127,105		146,093	
Payments in lieu of long service leave	10,296		10,030	
Payroll Tax	16,382	767,742	16,801	816,256
Travelling and Subsistence	6,998		8,977	
Motor Vehicles—Purchase and Running Expenses	16,467		16,316	
Fuel, light, power and water	49,987		49,897	
Stores, provisions, equipment, &c.	188,466		200,970	
Materials for manufacture	98,864		92,026	
Allowances to Working Prisoners	97,942		108,206	
Workers' Compensation Insurance	6,009		5,682	
Other Expenditure	9,646		*30,002	
		490,761		528,877
		1,258,503		1,345,133

* Includes £14,214 expenditure on maintenance and repairs, &c., of buildings in 1964-65. As already indicated, the comparable figure for 1963-64 was not available.

It will be seen that the main variations in the expenditure of this division were increases in payments on account of "Salaries", £29,792; "Overtime and Penalty Rates", £18,988; "Stores, Provisions, Equipment, &c.", £12,504; and "Allowances to Working Prisoners", £10,264.

The increased salary costs were due, chiefly, to the appointment of additional personnel including those necessary to staff a new institution. The increase in the item "Overtime and Penalty Rates" resulted from the necessity to retain the services of a number of members of staff for periods in excess of normal working hours in order to meet special circumstances arising, primarily, from staff shortages.

The increase of £12,504 in "Stores, Provisions, Equipment, &c.", was almost wholly due to rises in the prices of provisions. In this regard, the increase in the price of meat was particularly noticeable.

Earnings of prisoners are accumulated and paid to them on discharge or parole under the head of "Allowances to Working Prisoners". In recent times, the opening of new country institutions and the working of the laundry at Pentridge during weekends have provided the prisoners with greater earning capacity. The increase in 1964-65 of £10,264 in the relevant item reflects both the prisoners' greater earning capacity and the higher number of discharges and paroles in that year.

<i>Training—</i>	1963-64.		1964-65.	
	£	£	£	£
Salaries	19,866		27,266	
Overtime and Penalty Rates	218		537	
Payroll Tax	434	20,084	580	27,803
Travelling and Subsistence	355		488	
Motor Vehicles—Purchase and Running Expenses	300		178	
Training Equipment and Materials	7,000		3,992	
Bursaries to Students and Lecture Fees .. .. .	..		2,793	
Other Expenditure	2,018		2,013	
		10,107		10,044
		30,191		37,847

As in the other divisions, the increase in salaries (£7,400) was largely the result of the filling of additional positions.

The item, "Bursaries to Students and Lecture Fees", £2,793, has been charged to Treasurer's Advance pending Supplementary Estimates. It includes the cost, £1,875, to Consolidated Revenue of bursaries awarded to two groups each of six persons interested in child care and youth welfare, respectively, to enable them to pursue courses in child care or, as the case may be, professional youth leadership. The remainder of the charge, £918, is the total amount paid by way of fees to the lecturers who conducted the courses.

The bursaries granted to the six persons pursuing the course in child care are being supplemented by payments from a grant of £1,500 by the Myer Foundation which was deposited in the Treasury Trust Fund. Also held in the Treasury Trust Fund was an amount of £7,514 7s. 2d. contributed by Mr. W. Clement Stone to provide the necessary funds to finance bursaries to fourteen persons, additional to those receiving Government bursaries, to enable them to pursue the course in professional youth leadership.

	1963-64.		1964-65.	
	£	£	£	£
<i>Probation and Parole—</i>				
Salaries	76,724		89,176	
Overtime and Penalty Rates	4,294		8,360	
		81,018		97,536
Payroll Tax	1,749		2,032	
Travelling and Subsistence	6,592		6,598	
Motor Vehicles—Purchase and Running Expenses	1,996		1,803	
Parole Boards—Members' Fees and Expenses	4,013		4,394	
Rent of Buildings	251		765	
Workers' Compensation Insurance	605		691	
Other Expenditure	3,184		3,418	
		18,390		19,701
		99,408		117,237

As in the other instances mentioned, the rise in salaries (£12,452) was the result of the creation of additional offices and the filling of vacant positions.

LOAN EXPENDITURE.

Expenditure from loan moneys amounted to £697,566, and represented the cost of acquisition and erection of buildings, and the furnishing and equipping of the various establishments under the control of the Social Welfare Branch.

The net costs of the remaining sub-departments and branches of the Chief Secretary's Department for 1964-65 as compared with the previous year are as set out below:—

	1964-65.			1963-64.
	Expenditure.	Revenue.	Net Cost.	Net Cost.
	£	£	£	£
State Library, &c.	925,728	12,367	913,361	879,402
Government Statist	160,190	72,415	87,775	91,106
Fisheries and Wildlife	312,980	110,143	202,837	176,899
Immigration	39,042	189	38,853	31,572
Other Branches	353,210	84,440	268,770	181,791
Administrative	172,025	16,526	155,499	149,366
	1,963,175	296,080	1,667,095	*1,510,136

* Maintenance expenditure for 1963-64 was not available and, therefore, was not included in this figure.

Expenditure from loan funds during 1964-65 related to:—

	£
State Library, La Trobe Library, National Gallery, National Museum and Institute of Applied Science	79,386
Country Art Galleries	48,856
Fisheries and Wildlife	49,624
Immigration	156
Other Branches	13,657

The increase in the net cost of the State Library, &c., was due mainly to higher salary costs arising from the appointment of personnel to the staff of the La Trobe Library and increased expenditure on books for the Library, works of art for the National Gallery and subsidies to municipalities for free libraries.

The higher net cost of the Fisheries and Wildlife Branch was the result of increases in salary costs (£12,180) and the contribution to the Game Development Account (£12,558).

The expenditure for "Other Branches" includes contributions of £65,000 to the Aborigines Welfare Fund and £70,000 to the Youth Organizations Assistance Fund. In connexion with the latter Fund, it should be noted that, in the previous year, the contribution to that Fund was made under the authority of a Treasury vote. Further reference to the Aborigines Welfare Fund is made under the general heading of "Trust and Special Accounts" later in this report.

An increase of £5,322 in respect of Commissions and Boards of Enquiry was the main reason for the greater net cost in the items grouped under the heading "Administrative".

EDUCATION.

The net expenditure on education from Consolidated Revenue during 1964-65 was £62,600,898. This expenditure was not wholly provided from the votes of the Education Department, sundry items being included from payments made under special appropriations and from other departmental votes. The following statement shows the heads of expenditure contributing to the cost of education to the State:—

Departmental Votes (including on account of Votes)—

	£	£
Education—		
Schools, &c.	56,014,712	
University Grant	1,000	
	—————	56,015,712
Treasury—		
Schools, &c. (Pay-roll Tax, Workers' Compensation Insurance, &c.)	1,301,968	
University Grants	4,127,504	
	—————	5,429,472
Public Works—Schools, &c. (Maintenance, Rents, &c.) . . . . .	..	139,104
Agriculture—University Grant . . . . .	..	35,000
Special Appropriations—		
Adult Education, Pensions, &c	1,358,279	
University of Melbourne	98,100	
Monash University	250,000	
La Trobe University	14,930	
	—————	1,721,309
		—————
		63,340,597
Less—		
Revenue Collections	631,962	
Recoups of Expenditure	107,737	
	—————	739,699
Net Cost to Revenue . . . . .	..	62,600,898
Forestry Fund—University Grant . . . . .	..	500
Loan Acts Nos. 7064 and 7186, Maintenance and Capital Works—Schools, &c. . . . .	..	12,831,393
Loan Acts Nos. 7064 and 7186 and Treasurer's Advance Pending Loan, University of Melbourne . . . . .	..	732,548
Act No. 6184/6712 and Loan Acts Nos. 7064 and 7186—Monash University . . . . .	..	1,757,987
Act No. 7189—La Trobe University . . . . .	..	30,570
State Grants (Science Laboratories and Technical Training) Trust Account 1964 . . . . .	..	1,240,881
	—————	79,194,777

Expenditure from Loan Fund for both capital and maintenance works in connexion with schools, teachers' colleges and hostels amounted to £12,831,393 of which £1,153,584 was charged to recoup the Public Works Department the expenses involved in the design and supervision of such works, and the administration costs associated therewith.

Pursuant to the provisions of the Commonwealth's *States Grants (Science Laboratories and Technical Training) Act* 1964, with effect from 1st July, 1964, the Commonwealth made available to the State in 1964-65, the sum of £2,812,500. Disbursements were as follow:—

	£	£
Registered Schools—Payments to . . . . .	..	377,000
State Schools—Expenditure on—		
Science buildings and equipment	283,281	
Technical buildings and equipment	580,600	
	—————	863,881
		—————
		1,240,881

The following comparative statement sets out receipts and expenditure during 1964-65 and the four preceding years:—

	1960-61.	1961-62.	1962-63.	1963-64.	1964-65.
Consolidated Revenue—	£	£	£	£	£
Expenditure	40,830,004	44,782,933	50,524,157	57,459,821	63,232,860
Receipts	490,928	514,086	582,069	617,757	631,962
Net Cost Consolidated Revenue	40,339,076	44,268,847	49,942,088	56,842,064	62,600,898
Forestry Fund—Chair of Forestry—University	2,500	1,500	500	500	500
Loan Fund	12,262,708	13,701,823	13,629,026	14,602,017	15,352,498
Special Works Trust Account—Commonwealth Grant .. .. .	..	400,000	166,336	..	..
State Grants (Science Laboratories and Technical Training) Trust Account 1964. ..	..	..	..	..	1,240,881
Total Cost	52,604,284	58,372,170	63,737,950	71,444,581	79,194,777

The above figures do not include interest and sinking fund charges on loans, expenditure on Agricultural Education administered by the Department of Agriculture, or subsidies to the University of Melbourne for bacteriological and other services.

Analysis of Expenditure.—A detailed statement showing a comparative analysis of expenditure from loan and revenue &c. moneys in respect of the various services provided is given in Appendix D to this report. For ready reference the net cost of each service is shown hereunder.

	1963-64.	1964-65.
	£	£
Administration	1,022,897	1,531,961
Central Schools and Classes	235,032	232,124
Correspondence School	178,290	212,295
Girls' Secondary Schools	839,443	888,066
High Schools	15,776,433	16,992,136
Higher Elementary Schools	96,576	133,027
Primary Schools	25,620,299	27,559,432
Registered Schools	754,575	1,264,643
Special Schools and Hostels attached thereto	627,874	724,978
Special Activities (Library, Music, &c.) ..	1,200,775	1,339,993
Technical Schools	12,656,020	13,789,662
Teachers' Colleges	5,393,877	5,929,771
Teachers' Colleges Hostels	172,866	181,836
Universities	5,624,058	7,063,029
Pensions, &c.	1,210,475	1,321,774
Miscellaneous	35,091	30,050
	<u>71,444,581</u>	<u>79,194,777</u>

It will be seen on examination of Appendix "D" that, as between the year under review and the previous year, there were marked variations in certain expenditure items. Mention of these variations and the reasons therefor are given below:—

Salaries—Teachers.—Expenditure under this head rose from £36,930,039 to £40,060,236, an increase of £3,130,197. Part of this increase was the result of increases in salary rates accorded members of the teaching service in July, 1964.

With respect to the remaining and major part of the increase, this was almost wholly attributable to—

- (i) the cost of the salaries for a half-year of the graduates from Teachers' Colleges who, to the number of 2,175, were appointed to teaching positions on 1st January, 1965; and
- (ii) the effect of a full year's cost of the salaries of the graduates from Teachers' Colleges appointed on 1st January, 1964.

Bursaries, Scholarships and Maintenance Allowances.—The rise from £853,581 to £971,634 in this item was mainly the effect of the increase in the number of scholarship holders, as from the beginning of the academic year 1964, consequential upon the award of a scholarship to one student in every three students in Form II. as at the close of the previous academic year.

Technical Schools.—Maintenance grants made available to technical schools under the Annual Appropriation Act are augmented by tuition fees and other revenue collected and retained by the schools. These funds are expended on salaries of part-time instructors and full-time teachers employed by school councils, salaries and wages of office and maintenance staffs, and general costs incidental to the operating of the schools. Salaries of technical school teachers appointed under the *Teaching Service Act 1958*, are met from the amounts voted by Parliament for the Education Department.

The following statement, to be read in conjunction with Appendix "D" to this report, combines Treasury and technical school accounts to show the total expenditure on technical schools.

1963-64.		1964-65.	
£	Source of Funds—	£	£
9,544,483	Consolidated Revenue (net)	10,553,474	
3,111,537	Loan Acts	2,569,438	
..	State Grants (Science Laboratories and Technical Training) Trust Account 1964	666,750	
		13,789,662	
727,247	Tuition fees collected by Technical Schools	828,414	
304,519	Other Technical School Revenue	252,123	
13,687,786		14,870,199	
5,612	<i>Less</i> Surplus for year .. .. .	..	..
..	<i>Plus</i> Deficit for year .. .. .	..	49,844
13,682,174		14,920,043	
1963-64.		1964-65.	
£	Disbursement of Funds—	£	£
Salaries (including Pay-roll Tax)—			
7,705,576	Teachers and part-time Instructors	8,798,188	
991,948	Administrative and Maintenance Staff	1,085,029	
		9,883,217	
2,850,277	Erection and Maintenance of Buildings, &c.	2,549,827	
357,945	Equipment	723,789	
587,060	General costs of classes	678,033	
651,739	Administrative and other costs	520,894	
		1,198,927	
552,811	Allowances to pupils	583,521	
13,697,356		14,939,281	
15,182	<i>Less</i> Rents, &c., received by Education Department .. .. .	..	19,238
13,682,174	Total Net Cost	14,920,043	

Training of Teachers.—Allowances paid to students in training represent approximately three-quarters of the cost of operating teachers' colleges. The Department conducts 32 hostels for students living away from home. The *per capita* cost of training is substantially higher for students accommodated in hostels as revenue from board does not cover the cost of operation. In the following figures, showing the trend over the last four financial years, average *per capita* costs (excluding capital items) are based on the approximate number of students in training during each of those years:—

	1961-62.	1962-63.	1963-64.	1964-65.
	£	£	£	£
Cost of conducting teachers' colleges	3,897,640	4,764,151	5,291,838	5,789,669
Cost of conducting hostels for students in training	160,428	127,365	152,995	165,966
	4,058,068	4,891,516	5,444,833	5,955,635
Average number of students in hostels	1,472	1,564	1,574	1,500
Average number of students accommodated privately	4,597	4,937	5,653	6,110
Average total number of students	6,069	6,501	7,227	7,610
	£	£	£	£
Average <i>per capita</i> cost of training per annum	642	733	732	783
Average additional <i>per capita</i> cost of training per annum for those students accommodated in hostels	109	82	97	111

Conveyance of Pupils.—The provision of bus services for the transport of children to schools and pupils' travelling allowances are annually increasing costs. The following is a comparative analysis of expenditure on these services:—

	1961-62.	1962-63.	1963-64.	1964-65.
	£	£	£	£
Allowances not exceeding 1s. per day for eligible pupils attending primary schools	98,449	84,082	89,775	88,707
Allowances to eligible pupils attending post-primary schools (covering travel by bicycle and/or public transport facilities)	287,312	319,700	316,887	337,364
Payments to contractors providing special bus transport services for pupils	2,137,993	2,272,165	2,392,986	2,578,658
	2,523,754	2,675,947	2,799,648	3,004,729

UNIVERSITY OF MELBOURNE.

A section of the staff of the Audit Office with a senior audit officer in charge and acting in accordance with my general directions, conducts a continuous and an annual audit of the accounts of the University.

As indicated in my previous report, an investigation into the accounting practices and financial administration of the University was made by an executive auditor, who, at the time of the investigation, was a senior member of my staff.

The University, itself, is in course of implementing certain recommendations made by a firm of Consultants which, as stated in my previous report, was engaged to conduct an investigation into the accounting systems and procedures of the Accounts Department.

The annual audit of the University's accounts for 1964 has been completed and details of its income and expenditure for that year are compared hereunder with those of the preceding year:—

	1963.	1964.
<i>Income—</i>		
State Government Grants—	£	£
General purposes	1,487,152	1,773,399
Special purposes	1,029,362	1,239,677
	<u>2,516,514</u>	<u>3,013,076</u>
Commonwealth Government Grants—		
General purposes	1,555,996	1,764,220
Special purposes	1,133,902	1,030,010
	<u>2,689,898</u>	<u>2,794,230</u>
Fees	1,467,385	1,607,835
Donations and bequests	758,525	781,860
Interest, dividends, rents	206,421	230,952
Dental Hospital Building on Account of Principal and Interest .. .. .	..	306,595
Other income	214,278	266,911
	<u>7,853,021</u>	<u>9,001,459</u>
<i>Expenditure—</i>		
Salaries and Pay-roll Tax	4,316,265	4,803,545
Apparatus and books	708,799	735,883
Buildings, land, grounds, and vehicles	1,856,623	2,196,577
Examination expenses	141,709	148,160
Special grants, and fees to affiliated institutions	192,283	219,573
General expenses	420,161	448,644
Interest and Redemption—Dental Hospital loan	104,340	107,303
	<u>7,740,180</u>	<u>8,659,685</u>
<i>* Balance—</i>		
General Account	<i>Surplus</i> 80,479	<i>Surplus</i> 122,806
Trust Fund	<i>Surplus</i> 32,362	<i>Surplus</i> 218,968
	<u>Gross Surplus 112,841</u>	<u>Gross Surplus 341,774</u>

* Takes into consideration inter-fund transfers

In a comparison of the results of the two years, it is necessary to note that the Trust Fund is the holding account for donations and bequests pending expenditure therefrom on specific projects.

The balances of General Account are composite figures. They embody the annual surpluses and deficits of several funds including the General Fund and a number of research and special funds. Over the period 1962–1963 (inclusive) there was a substantial deterioration in the position of the General Fund but, in 1964, the position of this Fund improved. This is indicated in the comparative statement furnished hereunder which shows, in addition, how the annual balances on General Account have been arrived at:—

<i>Particulars.</i>	1962.	1963.	1964.
	£	£	£
Accumulated Deficit on General Fund at close of year	124,461	314,901	307,034
<i>Less</i> —Accumulated Deficit on General Fund at beginning of year	103,108	124,461	314,901
General Fund—			
Annual Deficit	21,353	190,440	..
Surplus .. .. .	..	..	7,867
<i>Add to Deficit</i> —			
Amounts disbursed from unexpended Grants—			
On account of—Murray Fund	28,374	..	..
Agriculture Fund	14	..	..
Annual Deficit—			
On Sundry Special Funds	166,018	..	..
Research Funds .. .. .	..	64,208	..
<i>Add to Surplus</i> —			
Excess of Annual Receipts over Expenditure—			
On account of—Lady Northcote Fund .. .. .	..	..	127
Sundry Special Funds .. .. .	..	..	32,471
Research Funds .. .. .	..	..	85,347
General Account—			
Gross Annual Deficit	215,759	254,648	..
Gross Annual Surplus .. .. .	..	..	125,812
<i>Deduct from Deficits</i> —	£	£	£
Excess of Annual Receipts over Expenditure—			
On account of—Lady Northcote Fund	226	277	
Sundry Research Funds	24,821	..	
Agriculture Fund .. .. .	..	14	
Meteorology Fund .. .. .	..	899	
Sundry Special Funds .. .. .	..	333,937	
<i>Deduct from Surplus</i> —			
Amounts Disbursed from Unexpended Grants—			
On account of—Murray Fund .. .. .	..	..	8
Agriculture Fund .. .. .	..	..	2,099
Meteorology Fund .. .. .	..	..	899
	25,047	335,127	3,006
General Account—			
Net Annual—Deficit	190,712	..	..
Surplus .. .. .	..	80,479	122,806

The marked downward trend in the University's general financial liquidity, referred to in my previous report, was halted in 1964. As already indicated, the accumulated deficit on the General Fund was reduced from £314,901 at the beginning of the year to £307,034 as at the close of the year. Also, during the year, expenditure in suspense

pending recoup or adjustment was reduced from £1,055,818 to £813,384. Thus, at 31st December, 1964, the overdraft on General Fund and the sum remaining in suspense amounted to £1,120,418 as compared with £1,370,719 as at the close of the previous year. The sources from which the necessary finance was provided to meet these sums are shown hereunder :—

	1963.		1964.	
	£	£	£	£
Current liabilities including Bank Overdraft and Sundry Creditors	587,406		581,942	
<i>Less</i> —Current Assets including amounts—due from Commonwealth Government; owing on account Salary Advances; and due from other debtors	305,057		420,961	
		282,349		160,981
<i>Plus</i> —Unexpended Grants and Allocations—				
Funds for buildings other than those already purchased or erected	591,215		433,199	
Research funds	236,545		293,033	
Apparatus appropriation	40,596		40,770	
Other Funds	220,014		192,435	
		1,088,370		959,437
Total		1,370,719		1,120,418

As in previous years, Government Grants comprised the major proportion of the income of the University in 1964. State Government grants, provided principally from Consolidated Revenue, increased by £496,562, as compared with the previous year.

Amounts received from the Commonwealth comprised the basic and supplementary general purpose grants calculated in accordance with the formula laid down in the related States Grants (Universities) Act, together with grants for special purposes.

MONASH UNIVERSITY.

The particulars hereunder summarize the contents of the University's audited Statements of Income and Expenditure, excluding Receipts and Payments on Trust Account, for the past two years :—

	1963.		1964.	
	£	£	£	£
<i>Income</i> —				
State Government Grants—				
General purposes	1,031,039		1,528,092	
Special purposes	1,101,646		1,338,560	
		2,132,685		2,866,652
Commonwealth Government Grants—				
General purposes	631,669		964,678	
Special purposes	1,097,997		1,338,560	
		1,729,666		2,303,238
Students' Fees including Union fees for operational purposes		159,552		290,344
Union fees for Union Development		10,767		19,977
Grants and Donations		97,820		113,231
Other income		13,913		95,102
		4,144,403		5,688,544
<i>Expenditure</i> —				
Salaries and associated expenditure		914,689		1,510,384
Books, equipment, furniture, &c.		498,075		789,748
Maintenance, &c., buildings, land, grounds, vehicles		40,065		80,182
Student services		17,851		35,666
General expenditure		370,242		655,040
Site development		97,481		148,142
New buildings		2,177,046		2,129,102
Union development—Purchase of land, &c.		54,612		85,675
		4,170,061		5,433,939
<i>Balance</i> —				
Recurrent expenditure		<i>Surplus</i> 136,983		<i>Surplus</i> 207,280
Grants and Donations		<i>Surplus</i> 21,889		<i>Surplus</i> 21,690
Capital Funds		<i>Deficit</i> 140,685		<i>Surplus</i> 89,500
Union Development		<i>Deficit</i> 43,845		<i>Deficit</i> 63,865
		<i>Net Deficit</i> 25,658		<i>Net Surplus</i> 254,605

The net credit balance as at 31st December, 1964, amounted to £485,603. Details are :—

	£	£
Unexpended Capital funds	364,209	
Add—Donations on Hand	65,358	
Unexpended Recurrent Funds	163,746	
	<hr/>	
Total Credit		593,313
Less—Accumulated Deficit on account of Union Development ..		107,710
		<hr/>
Net Credit		485,603
		<hr/>

It will be observed that Government grants, Commonwealth and State, were the principal sources of income in each of the two years.

The substantial increase indicated above in both income and expenditure reflects the rapid growth of the University over the past two years. Further, in this regard, it was noticeable that, as between 1963 and 1964, full-time staff had increased from 510 to 925 and student numbers had risen from 1,598 to 2,774.

LA TROBE UNIVERSITY.

The *La Trobe University Act* 1964, No. 7189, provides, *inter alia*, for the establishment in Victoria of a University to be known as “La Trobe University”. Following on the coming into operation of the Act as from 9th December, 1964, an Interim Council was appointed to govern and administer the affairs of the University until the appointment of a permanent Council.

In the period from the commencement of the Act to 30th June, 1965, the Interim Council was the recipient of State Government grants amounting to £45,500 and made payments therefrom, totalling £40,771, for the purpose of meeting the preliminary requirements of the University. Relevant details are :—

	£	£	£
<i>Receipts—</i>			
State Government Grants—			
General purposes		14,930	
Building purposes		30,570	
		<hr/>	45,500
			<hr/>
<i>Payments—</i>			
General Purposes—			
Salaries	4,634		
Library Expenditure	4,913		
Travelling and Personal Expenses	3,301		
Furniture and Equipment	2,442		
Office Rental	1,167		
Advertising	1,058		
Sundry	890		
		<hr/>	18,405
Special Purposes—			
Architect's Fees, &c.		22,366	
		<hr/>	40,771
			<hr/>
<i>Balance—</i>			
General purposes	<i>Deficit</i>		3,475
Special purposes	<i>Unexpended</i>		8,204
			<hr/>
Net Credit Balance			4,729
			<hr/>

FORESTS.
EXPENDITURE.

In the year under review, expenditure amounted to £3,722,387. Under broad headings the principal divisions of expenditure in the past two years were:—

	1963-64.	1964-65.
	£	£
Appropriations—		
Salaries and Payments in the nature of Salary	856,877*	948,476
Pay-roll Tax	22,331	24,026
Pensions	38,208	44,772
School of Forestry	17,400	17,500
Other Administrative Expenses	76,210	76,168
Utilization Forest Produce	273,171	358,607
Business Undertakings	61,828	63,512
Contribution to the National Sirex Fund	18,765	20,850
Sundry	18,840	17,850
	1,383,630	1,571,761
 Forestry Fund—		
Forests	911,047	994,383
Plantations	46,748	19,462
Nurseries	23,337	25,166
General	53,840	65,713
	1,034,972	1,104,724
 Loan Fund—		
Land	31,028	31,349
Fire Protection	222,116	210,590
General Operations	90,941	88,947
Extraction Roads	236,827	193,227
Plantations	374,436	475,112
Buildings	48,183	36,398
Plant and Machinery	9,207	10,279
	1,012,732	1,045,902

* Includes £6,039 charged to Treasury Vote—Division 50 A.

Since the inception of the use of loan funds for forestry purposes, the sum of £22,193,184 has been so applied. After allowing for discount and expenses and amounts redeemed or repaid, the Loan Liability at 30th June, 1965, was £18,879,007, towards which there was an equity of £1,608,496 in the National Debt Sinking Fund.

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

	1963-64.		1964-65.	
	£	%	£	%
Vote, &c.	1,383,630	40·3	1,571,761	42·2
Forestry Fund	1,034,972	30·2	1,104,724	29·7
Loan Fund	1,012,732	29·5	1,045,902	28·1

Allocations for forestry purposes, provided for in the annual Appropriation Act, may be grouped under three broad headings—administrative, business undertakings and utilization of forest produce.

With respect to administrative costs, it should be observed that, in addition to the figures for salaries and payments in the nature of salary, shown in the preceding summary of expenditure, salaries of forest overseers and others amounting to £204,216 were charged to Utilization Vote, Forestry Fund, Loan Fund and Stores Suspense Account.

Expenditure in connexion with the State Sawmill, Erica, has been recouped by the revenue of that undertaking.

In the second half of the financial year 1961-62, a National Sirex Fund was created to which the Commonwealth, on the one hand, and the States, on the other, agreed to contribute on a £1 for £1 basis. Contributions have also been made to the Fund by private forest owners. To 30th June, 1965, Victoria had contributed as its share the sum of £62,550. From the Fund, Victoria had received up to 30th June, 1965, a total of £419,350 to finance the expenditure incurred by the State in its efforts to control and eradicate the sirex wasp.

In so far as the State is concerned, relevant transactions are recorded in an account styled the "Commonwealth-State Sirex Trust Account" kept in the Victorian Treasury. Expenditure charged to the Account up to 30th June, 1965, amounted to £418,211. The balance at the credit of the Account as at 30th June, 1965, was £1,139. It should be pointed out however, that, as at the close of the year, there were certain items of expenditure incurred in the year in connexion with the sirex wasp campaign which are to be charged to the Account in 1965-66.

Contributions amounting to £96,000 were received up to 10th July, 1961, from the Heyfield Sawmillers Logging Company Pty. Ltd. and credited to the Bennison Roding Trust Account. The contributions in question were made on behalf of millers in the Macalister Forest District towards the provision of special roading in that district. To 30th June, 1965, expenditure charged against the credit of £96,000 amounted to £93,681. Therefore, the balance at credit of the Trust Account at the close of the year was £2,319.

Included in the gross amount of £1,045,902 charged to Loan Fund were allocations for special projects as set out hereunder:—

	£
Towards the provision of special roading in the Macalister Forest District:—	
Bennison Plains	48,001
Tamboritha Saddle	20,538
Plantation expansion	327,726
Establishment costs—Reforestation Prison Camps—	£
Morwell River	2,271
Won Wron	16,299
	18,570

RECEIPTS.

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

	1963-64.	1964-65.
	£	£
Territorial—		
Rents	47,818	51,938
Royalties	1,985,863	2,112,819
Miscellaneous	3,127	1,289
Fees	380	399
Tramways	135	..
State Sawmill	75,882	78,523
Departmental	284,173	391,901
Recoup of Salaries—Sirex Personnel	31,517	18,595
Miscellaneous	31,102	38,085
	2,459,997	2,693,549

As between the two years, the major factors in the over-all increase of £233,552 in collections were:—

- (i) as from the earlier part of the year, higher royalty rates were charged on all types of logs, sleepers, &c.; and
- (ii) increased departmental revenue was received as a result of greater output under this head, particularly in respect of softwood thinnings for pulping purposes.

With respect to the increase of £107,728 in departmental revenue, it should be noted that this increase was offset in part by an increase of £85,436 in the departmental expenditure charged to "Utilization Forest Produce."

The net cost of the Commission for 1964–65, based on receipts and expenditure in the Consolidated Revenue Account, was £810,668.

The Consolidated Revenue receipts and expenditure for the past two years were:—

1963–64.	Receipts.	1964–65.	1963–64.	Expenditure.	1964–65.
£		£	£		£
2,459,997	As detailed	2,693,549	13,000	Commissioners' Salaries ..	13,000
732,902	Net Cost	810,668	1,332,422	Votes	1,513,989
			38,208	Pensions	44,772
			1,018,404	Grants to the Forestry Fund ..	1,083,023
			746,166	Interest and Exchange on Loans	803,025
			567	Loan Conversion Expenses ..	539
			44,132	National Debt Sinking Fund ..	45,869
<hr/>		<hr/>	<hr/>		<hr/>
3,192,899		3,504,217	3,192,899		3,504,217

Forests Roads Account.—As provided for in section 32A, inserted in the *Forests Act 1958* by direction of the *Forests (Further Amendment) Act 1962*, there are to be paid into the Forests Roads Account in the Trust Fund in the Treasury all moneys which, pursuant to any agreement, are paid to or received by the Forests Commission for the use of any road or track constructed or maintained within State forests by the Commission. Moneys to the credit of the Account are available, in terms of the said Section, for or towards the maintenance of forest roads or tracks.

During the year, credits to the Account amounted to £2,327. This amount consisted of a sum of £1,859 from the Australian Paper Manufacturers Limited in terms of sub-clause (3) of clause 18 of the Schedule to the *Forests (Wood Pulp Agreement) Act 1961*, and a sum of £468 from the Colonial Sugar Refining Company Limited towards the cost of maintenance, by the Commission, of certain specified roads in forest districts in the vicinity of Bacchus Marsh.

Expenditure charged to the Account in the year amounted to £6,014. At the close of the year, the balance at credit of the Account was £3,113.

Forests Stores Suspense Account.—The terms of operation of the Stores Suspense Account are set out in section 31 of the *Forests Act 1958*. In 1952–53, £20,000 was applied out of Loan Fund to finance the Account under the authority of Loan Application Act No. 5588.

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

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

Costs of repairs of plant and machinery charged to the Account are offset by credits—

- (i) arising from a proportion of the “hire charges” on moneys provided for the carrying out of works on which the plant and machinery are engaged; and
- (ii) from recoups by other funds or appropriations on account of particular repair costs properly chargeable to such funds or appropriations.

The balance of £72,718 at credit of the Forests Stores Suspense Account in the Treasurer's books at 30th June, 1965, is a net figure. The Commission's books disclose that this balance is the net result of the balances of several accounts within the Stores Suspense Account as follows:—

<i>Credit balances—</i>								£
Stores Account	..	..	..	..	..	..	..	36,084
Repairs to Plant Account	..	..	..	..	..	..	..	39,923
Manufactured Articles (Carpenters' Shop)	..	..	..	..	..	..	..	794*
Fire Protection Workshop	..	..	..	..	..	..	..	932†
								77,733
<i>Debit balance—Drums Account</i>								5,015
								72,718

* Remainder of £1,500 advanced from Stores Account.

† Remainder of £1,500 advanced from Stores Account.

It will be observed that the balance of the "Stores" section plus advances made from this section to other sections of the Stores Suspense Account exceeds the sum of £20,000 provided from loan to finance the Account. The major reason for this position and the manner in which it is being dealt with were mentioned on page 53 of my report for 1957–58. In 1964–65, a sum of £10,000 together with the proceeds of the sale of surplus stocks amounting to £19,659 was transferred to Loan Fund Credit Account.

Consideration as to whether the "Repairs to Plant" section of the Account is in excess of requirements has been deferred by the Treasury. It is understood that it is awaiting the result of the proposed investigation by the Parliamentary Public Accounts Committee into the question of Stores Suspense Accounts generally.

Forests Plant and Machinery Fund.—Section 32 of Act No. 6254 provides for a Plant and Machinery Fund. The component of the hire charge on account of the renewal and replacement of specified plant and machinery is debited to the appropriate expenditure allocation and credited to this Fund.

The following statement summarizes operations since the date of establishment of the Fund (1st July, 1953) to 30th June, 1965:—

	1st July, 1953, to 30th June, 1964.	1st July, 1964, to 30th June, 1965.	Total.
	£	£	£
Plant Hire	1,353,706	78,446	1,432,152
Sale of Plant	..	1,940	1,940
	1,353,706	80,386	1,434,092
Expenditure on Renewals	1,118,818	182,640	1,301,458
Balance at 30th June, 1965	..	..	132,634

Mt. Buller Committee of Management Works Trust Account.—As part of an approved allocation from the State's Loan Fund, sums amounting to £18,285 in 1963–64 and £51,523 in 1964–65 were paid, on the basis of two-thirds loan and one-third grant, to the Mt. Buller Alpine Reserve Committee of Management. These sums in turn were paid to the credit of the Works Trust Account named above to finance the construction of an effective water supply at Mt. Buller. At the request of the Committee of Management, this project is being undertaken by the Forests Commission with the co-operation of the Public Works Department. In this connexion, it should be noted that Mt. Buller is a declared Alpine Reserve within the meaning of section 50 of the *Forests Act 1958*.

Both the Forests Commission and the Public Works Department are authorized to operate on the Account but financial control of the Account is vested in the Commission. The recorded expenditure charged against the Account in the year amounted to £49,427. At the close of the year the balance at credit of the Account was £2,206.

Mt. Buller Alpine Reserve Account.—During the year, the Treasurer, as authorized by section 8 of the *Public Account Act* 1958, established in the Treasury a Trust Account styled “Mt. Buller Alpine Reserve Account”.

Section 50 of the *Forests Act* 1958 as amended by the *Forests (Amendment) Act* 1964, provides that any moneys received by the Commission pursuant to any regulation made under the section shall be paid into a special trust fund kept for the purpose.

The provision of this Account will facilitate, *inter alia*, the accounting for the receipts from the tappings, rates and charges and the expenditure relative to the water supply system at Mt. Buller.

During the year, credits to the Account amounted to £1,460, and as there was no expenditure charged to the Account, the balance at credit of the Account as at the close of the year was £1,460.

Forests Equipment Hire Account.—Also under the authority of section 8 of the *Public Account Act* 1958, the Treasurer established in the Treasury during the year a Trust Account called the “Forests Equipment Hire Account”.

This Account was opened with an initial credit of £1,000 which was provided under Division 65-3-8 of the Appropriation Act for 1964-65. The Account will facilitate the accounting arrangements which arise as a result of the Forests Commission carrying out work for other Government Departments, Public Authorities and private individuals.

In addition to the initial credit of £1,000, credits to the Account during the year amounted to £18,837 and expenditure charged against the Account amounted to £2,336. Thus, as at the close of the year, the balance at credit of the Account was £17,501.

STATE SAWMILL, ERICA.

The following information taken from the Commission's Profit and Loss Statements summarizes operations in 1963-64 and 1964-65.

	1963-64.		1964-65.	
	£	£	£	£
Sales	71,450		78,225	
Other Receipts	701		481	
Increase in Stock	1,038		851	
		73,189		79,557
Working Expenses	68,330		71,365	
Interest Calculated on Capital Used in the Business	2,541		2,555	
		70,871		73,920
Net Profit		2,318		5,637

Depreciation charges were consistent with the basis mentioned in my report for 1959-60. Interest on capital was charged at the same rate as for the previous year and was made without regard to the net revenue paid into the Treasury.

The accumulated profit at 30th June, 1965, was £80,126.

The statement hereunder shows the position of the undertaking as at the close of each of the past two years :—

	30.6.64.		30.6.65.	
	£	£	£	£
<i>Fixed Assets less Depreciation—</i>				
Buildings	7,667		5,661	
Additions during 1964-65			1,319	
			<hr/>	
Machinery and Plant	7,283		6,980	
Rolling-stock	474		4,300	
	<hr/>	15,424	200	
			<hr/>	11,480
<i>Current Assets—</i>				
Debtors	9,051		6,982	
<i>Stock on Hand—</i>				
Timber	9,633		10,483	
Stores	60		56	
	<hr/>	18,744	<hr/>	17,521
			<hr/>	
		34,168		29,001
<i>Less Current Liabilities</i>		1,199		1,465
		<hr/>		<hr/>
		32,969		27,536
		<hr/>		<hr/>
The balances shown above were financed from the following sources :—				
Capital raised from Revenue and Loan Fund	61,607		61,607	
Additional during 1964-65			1,319	
			<hr/>	62,926
Accumulated Profit	* 74,489			80,126
			<hr/>	<hr/>
		136,096		143,052
<i>Less the excess of receipts over payments which has been paid into Consolidated Revenue..</i>		*103,127		115,516
		<hr/>		<hr/>
		32,969		27,536
		<hr/>		<hr/>

* After adjustment on account of an additional charge of £154 in respect of 1963-64.

Timber stocks on hand at 30th June, 1965 comprised logs valued at £9,393 and sawn timber valued at £1,090.

GOVERNMENT PRINTER.

Income from printing, sales of publications, &c., for the year amounted to £1,351,181 compared with £1,341,011 in 1963-64.

Most of the work for the State is for the purpose of meeting the requirements of other Departments and charges for these services are met from departmental votes. The statement below shows a profit of £49,136 on the year's operations.

The purpose of the statement is to apply commercial accounting tests to the operations of the Government Printing Office. The basis of its preparation has been consistent from year to year. Because of this, it indicates trends in costs and turnover, but it should be noted that the result shown each year is arrived at without regard to the following factors:—

- (i) interest paid applicable to the cost of the undertaking;
- (ii) depreciation on buildings;
- (iii) the State's contribution towards pensions;
- (iv) certain freight and costs of distribution met by the Treasury; and
- (v) in the valuation of publications on hand, the practice of assessment at marked selling prices without due allowance for discount on subsequent purchases by agents.

<i>Item.</i>	1963-64.	1964-65.
	£	£
Materials	436,624	440,048
Salaries and Wages (including Pay-roll Tax)	658,258	663,235
Insurance—Workers Compensation	5,050	5,048
Insurance—Fire	797	797
Power, Fuel, and Light	17,746	18,975
Repairs to Buildings and Plant	5,339	13,327
Sundry Charges	29,601	28,231
Postage and Incidentals	11,765	11,974
Depreciation on Plant and Machinery	38,909	46,098
Work done by other than Government Printer	60,534	74,312
	1,264,623	1,302,045
Profit	76,388	49,136
Turnover	1,341,011	1,351,181

The total cost of plant and machinery met from loan funds to 30th June, 1965, was £599,842. During the financial year 1941-42, a Printing Machinery Depreciation Fund was established for the replacement of plant and machinery acquired from loan funds. Annual credits to the Depreciation Fund were made from Consolidated Revenue up to the financial year 1957-58. Since then, no further contributions have been made to the fund, and as no expenditure took place in 1964-65, the balance in the fund at 30th June, 1965, remained at £118,735.

DEPARTMENT OF HEALTH.

This Department is divided into four branches, viz :—

General Health Branch.

Tuberculosis Branch.

Maternal and Child Welfare Branch.

Mental Hygiene Branch.

Total expenditure from revenue upon health services for the year ended 30th June, 1965, excluding that of the Mental Hygiene Branch and the contributions to the Hospitals and Charities Fund, which are discussed elsewhere herein, was £5,533,797.

This expenditure comprised the following charges :—

	£	£
Departmental Votes—		
Health—Salaries, General Expenses, &c.		5,241,088
Treasury—Pay-roll Tax	20,567	
Treasury—Workers' Compensation Insurance	11,613	
		32,180
Public Works—Maintenance, Rents, &c.		29,959
Special Appropriations—Pensions and Salary of Director of Tuberculosis		230,570
		5,533,797

Receipts (excluding those of the Mental Hygiene Branch) totalled £1,489,032, and the net cost of health services to revenue was £4,044,765, an increase of £302,794 compared with the previous year.

For the purposes of this report, departmental finances are dealt with under branch headings, all central administrative costs being included under General Health Branch.

The figures given have been prepared from departmental analyses and have been reconciled in total with the Treasurer's Accounts.

General Health Branch.

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

Revenue of the past three years is shown in the following table :—

	1962-63.	1963-64.	1964-65.
	£	£	£
Registration and other Fees	15,443	35,337*	40,314*
Other Receipts	6,696	7,580	11,749
	22,139	42,917	52,063

* Includes, £19,500 in 1963-64 and £24,518 in 1964-65 for licence fees under the *Poisons Act 1962*.

Expenditure in the same period has been :—

	£	£	£
(a) <i>From Revenue</i> —			
Central Administration	274,237	301,038	324,357
Cancer Institute	655,000	720,000	800,000
Infectious Diseases	136,718	160,322	165,268
Venereal Diseases	29,720	27,209	25,771
Inspection of Buildings, Food Supervision, &c.	257,662	292,261	306,885
Miscellaneous Grants	179,285	180,000	179,700
Subsidies—Home Help Scheme, Clubs for Elderly People, &c.	391,304	377,480	395,182
	1,923,926†	2,058,310	2,197,163
(b) <i>From Loan</i> —			
Cancer Institute	181,931	41,623	95,199
Other	76,131	220,959	303,242
	258,062	262,582	398,441

† Includes minor expenditure from Special Works Trust Account—Commonwealth Grant

Tuberculosis Branch.

Receipts of this Branch over the past three years have been :—

	1962-63.	1963-64.	1964-65.
	£	£	£
Commonwealth recoup under Health Act 1958	1,333,179	1,425,341	1,369,422
Other receipts	30,936	63,163*	61,863*
	<u>1,364,115</u>	<u>1,488,504</u>	<u>1,431,285</u>

* Includes £33,343 in 1963-64 and £31,896 in 1964-65 deductions from salaries for accommodation and meals.

Expenditure for the same period is compared thus :—

	£	£	£
(a) <i>From Revenue</i> —			
Operation of sanatoria, tuberculosis wards, bureaux, mass X-ray services, &c.	1,574,967	1,698,843	1,678,770
(b) <i>From Special Works Trust Account—Commonwealth Grant</i> —			
Various minor works	5,917	..	..
(c) <i>From the Government Buildings Fire Insurance Fund</i> —			
Gresswell Sanatorium	5,134	6	Cr. 16
(d) <i>From Loan</i> —			
State sanatoria and clinics, &c.	33,260	94,100	155,908

Capital expenditure on the provision of buildings, furniture, and equipment for use by the Branch, which is recoverable from the Commonwealth, has been met from both loan and revenue moneys, and in each of the past three years has been :—

	1962-63.	1963-64.	1964-65.
	£	£	£
Loan	30,221	30,369	96,098
Revenue	18,040	8,129	55,388
	<u>48,261</u>	<u>38,498</u>	<u>151,486</u>

A progress payment of £130,049 on account of 1964-65 was received in June, 1965, and reimbursement of the balance is in course.

Progress payments to 30th June by the Commonwealth on account of 1964-65 maintenance expenditure amounted to £1,289,908. Reimbursement of the balance outstanding at 30th June, 1965, is in course.

Maternal and Child Welfare Branch.

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

Revenue expenditure for the last three years was :—

	1962-63.	1963-64.	1964-65.
	£	£	£
School Medical and Dental Services, &c.	617,020	641,016	674,810
Subsidies	800,349	880,925	983,054
	<u>1,417,369*</u>	<u>1,521,941</u>	<u>1,657,864</u>
Revenue for the same period was	5,490	5,702	5,684
Net cost	<u>1,411,879</u>	<u>1,516,239</u>	<u>1,652,180</u>

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

Expenditure from loan was :—

	£	£	£
Subsidies towards capital expenditure on pre-school centres ..	159,965	160,000	160,000
Other	11,758	2,637	1,630
	<u>171,723</u>	<u>162,637</u>	<u>161,630</u>

* Includes minor expenditure from Special Works Trust Account—Commonwealth Grant.

Mental Hygiene Branch.

The cost of the services provided by this Branch was, in 1964-65, defrayed from revenue. Gross expenditure for non-capital purposes was £8,354,455, and after taking into consideration receipts of £913,201, the net cost of mental health services was £7,441,254. The gross expenditure comprised charges to—

	£	£
Departmental Votes—		
Health—Salaries and payments in the nature of salary	5,895,350	
—General Expenses	2,335,955	
	8,231,305	
Treasury—Workers' Compensation Insurance		42,297
Public Works—Maintenance and Rents		80,853
		8,354,455

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

	1962-63.	1963-64.	1964-65.
	£	£	£
Maintenance of patients—principally Commonwealth payments on account of pensioners in Training Centres and repatriation patients	292,781	370,113†	543,806
Deduction from Salaries for Accommodation and Meals	225,922	229,939	223,642
Commonwealth Pharmaceutical Benefits*	157,290	66,041	118,550
Sales of produce	9,265	8,482	8,452
Other	22,066	17,423	18,751
	707,324	691,998	913,201

† Commonwealth payments on account of pensioners in training centres operated from 19th September, 1963.

* The amount of £157,290 received in 1962-63 included £105,706 on account of 1961-62, and the amount of £118,550 received in 1964-65 included £58,174 on account of 1963-64.

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

Item.	1962-63.	1963-64.	1964-65.
	£	£	£
Salaries	4,434,259	4,746,919	5,027,027
Overtime and penalty rates	641,425	694,634	813,003
Payments in lieu of long service leave.. .. .	35,994	49,988	55,320
Total Payments in nature of Salary	5,111,678	5,491,541	5,895,350
Provisions and extra articles	945,125	961,747	972,997
Clothing, bedding, &c.	213,506	232,804	216,685
Stores, &c.	190,128	192,364	196,259
Fuel, light, and water	373,996	364,494	359,970
Drugs and medicines	243,023	251,822	254,985
Repairs, Maintenance and Rents	315,300	1,819*	80,853
Boarded-out patients	104,975	103,500	104,990
Other	257,854	255,754	272,366
Total	7,755,585	7,855,845	8,354,455

* In 1963-64, the amount expended by the Public Works Department on maintenance and repairs to mental hospital buildings was not available.

Expenditure from the Loan Fund during 1964–65 on buildings and equipment of State institutions amounted to £2,064,327. In addition, moneys were provided for other institutions from the sources and for the purposes shown hereunder :—

	£	£
Mental Hospitals Fund—		
University of Melbourne—Mental Health Research	7,000	
Other Institutions—Grants for Maintenance	146,687	
	<hr/>	153,687
Loan Fund—		
Other Institutions—Grants for Capital Works		127,753
		<hr/>
		281,440
		<hr/>

In connexion with the expenditure from loan moneys on buildings and equipment of State institutions and by way of grants for capital works to other institutions, it should be explained that the Commonwealth's *States Grants (Mental Health Institutions) Act 1964*, provides, *inter alia*, that the Commonwealth shall pay to the State a sum equivalent to one-third of the amounts expended by the State during the period 1st July, 1964, to 30th June, 1967, on projects approved in terms of the Act. Pursuant to this authority, the State received in the year under review the sum of £355,689 which, in effect, was part recoup of the sums expended by the State during the year from its Loan Fund on mental health projects.

DEPARTMENT OF CROWN LANDS AND SURVEY.

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

Collections.—Collections during the year amounted to £1,838,213 as compared with £1,688,763 in the previous year. Details are as set out hereunder:—

	1963-64. £	1964-65. £
Territorial Revenue—		
Fees for various licences and leases, &c.	711,457	788,614
Proceeds of sales of land	205,449	215,086
	<hr/>	<hr/>
	916,906	1,003,700
Revenue from similar sources for credit to the Mallee Land Account . .	39,026	37,249
Repayments of principal by settlers under the Closer Settlement Acts . .	190,348	169,885
Interest payments by settlers on Loan Liabilities under the Closer Settlement Acts	66,081	60,600
Repayments of principal—Other Advances	12,969	8,660
Interest on Other Advances	309	273
Licences to occupy water frontages—for credit to the Rivers and Streams Fund	35,228	44,558
Recoups on account of—the services of survey personnel for the Housing Commission ; survey services and costs associated with the administration of the Insurance Fund ; and national mapping and surveying services for the Commonwealth Government	134,949	151,249
Miscellaneous Revenue including rental Ballarat Guncotton Factory, admission to Buchan Caves, sales of government property and rentals of departmental houses	84,128	59,242
Survey Fees, &c.	15,582	15,210
Premiums for credit to the Insurance Fund	12,958	12,761
Moneys for specific purposes including funds made available by Wool and Wheat Research Committees, &c., for credit to Treasury Trust Funds	19,497	37,670
Collections on account of North West Mallee Water Rates and Wire Netting Cash Sales	11,905	16,199
Road Loading Charges—Improvement Purchase Leases	4,039	4,950
Receipts on account of Assurance Fund	900	1,021
Net transactions through Lands Suspense Account comprising mainly deductions from pay for Group Tax, Superannuation, Insurance, &c.	143,938	214,986
	<hr/>	<hr/>
	1,688,763	1,838,213

It will be seen that, as compared with the previous year, although miscellaneous revenue decreased by £24,886, over-all collections increased by £149,450.

The effect of higher fees and charges, which operated for part of the year under review, is evident in the increase in territorial revenue and recoups on account of services, &c.

The increase of £18,173 in the moneys received for specific purposes was due largely to the acceptance of a special grant on a £1 for £1 basis from the Australian Wool Board for the purpose of nominated research projects.

The reduction in miscellaneous revenue was mainly the result of the fall in the recoup from the Rural Finance and Settlement Commission in consequence of the decline in the services rendered to that Body by the Department.

Expenditure.—The amount provided from Consolidated Revenue to meet departmental administrative costs and expenses and part of the functional expenditure of the Vermin and Noxious Weeds Branch was £1,511,587 as compared with £1,514,825 in the previous year.

Expenditure from Loan Fund £1,113,740, was in excess of that for the previous year by £223,358. Comparative details are:—

<i>Nature of Loan Expenditure</i>	1963-64. £	1964-65. £
Vermin and Noxious Weeds Branch—		
Functional Expenditure	644,538	744,803
Purchase of Equipment, Tools, &c.	101,462	103,181
	746,000	847,984
North West Mallee—Compensation and interest thereon in respect of certain occupiers of land who surrendered to the Crown their interest in such land—Under authority of <i>Loan Application Act</i> No. 7186		
From Treasurer's Advance	66,494	44,862
	66,494	199,618
Survey Branch—		
Purchase of Vehicles, Machines, Equipment, &c.	37,996	17,996
Tostaree Pilot Farm—		
Establishment of farm and expenditure incidental thereto	4,717	10,246
Buchan Caves—		
Remodelling, &c.	3,000	3,000
Other	32,175	34,896
Total	890,382	1,113,740

Disbursements by the Department from Treasury Trust Funds included £26,997 from moneys made available by the Commonwealth through its Wool and Wheat Research Committees for rabbit control and skeleton weed research respectively, and £4,295 in meeting claims and administrative expenses on account of the Closer Settlement Insurance Fund.

CLOSER SETTLEMENT.

The Revenue Account for the year under the *Closer Settlement Act* 1938 disclosed a deficit of £983,764 and the accumulated deficit on account of the settlement scheme, the subject of the provisions of that Act, was, as a result, increased to £56,734,191.

CLOSER SETTLEMENT INSURANCE FUND.

The Closer Settlement Insurance Fund took its present form in 1938, consequent upon certain statutory amendments. Contracts of insurance cover risks of fire, storm and tempest and must be made by Closer Settlement lessees in respect of buildings and improvements by farmers who have received advances for improvements, and by purchasers under contracts of sale. Improvements on vacant land are also covered by the Fund.

The accounts of the Fund are kept on a cash basis and the following is an abstract of receipts and payments during the year:—

<i>Receipts.</i>	£	<i>Payments.</i>	£
Balance at 1st July, 1964	315,504	Claims paid	1,926
Premiums received	12,761	Administration expenses	2,369
		Balance at 30th June, 1965	323,970
	328,265		328,265

LOCAL GOVERNMENT.

This Department was constituted under the provisions of Act No. 6479 of 1958 for the better administration of the laws relating to local government in this State.

The comparative statement hereunder shows the expenditure from revenue in each of the past two years :—

	1963-64.	1964-65.
	£	£
Local Government—		
Salaries and Allowances	87,443	100,264
Salaries— <i>ex gratia</i> payments (Vote 50A)	581	..
Overtime and Penalty Rates	1,468	2,000
Travelling (including Motor Vehicles)	7,605	6,171
Fees and Expenses—Boards and Committees	7,327	6,895
Other Administrative Expenses	10,335	16,219
 Town and Country Planning Board—		
Salaries and Allowances	37,450	39,560
Other Administrative Expenses	4,020	4,334
	156,229	175,443

The cost of punched card equipment acquired for the Valuer-General's Office was the major factor contributing to the increase of £5,884 in the item—Other Administrative Expenses—Local Government.

Collections for the year amounted to £1,155.

From loan funds, payments to municipalities and other public bodies amounting to £526,094 were made during 1964-65 for the purposes shown hereunder :—

		£
Drainage Works		136,137
Small Drains		107,551
Swimming Pools and Accessories		133,176
Traffic Signals		18,592
Sale-yards, Markets, &c.		8,578
Public Halls and Amenities		46,650
Beach Cleaning		25,231
Metropolitan Clearways		27,808
Other Capital Works		22,371
		526,094

The item Metropolitan Clearways—£27,808—is the total of the subsidies, which, in 1964-65 were, for the first time, made to municipalities for the purpose of the improvement of peak-hour traffic flow by means of the installation of such devices as overhead lane signals, the conversion of fixed-time signals to vehicle actuation signals, and the erection of "Clearway" signs.

MINES DEPARTMENT.

The principal functions of this Department are the administration of mining legislation and supervision of the mining industry including development of mining, safe working of mines, investigational drilling and operation of State gold batteries. The Department is also responsible for the licensing of engine drivers and boiler attendants.

The net cost to Consolidated Revenue for the year under review was £368,872, which compares with £355,737 in 1963-64.

Details of departmental receipts for the two years are:—

	1963-64.	1964-65.
	£	£
Gold Buyers' Licences	147	152
Mining Leases, Rents, &c.	47,036	41,898
Assays	243	375
Sundries	118	461
Magazine Licences	162	167
Boring and Crushing Fees	29,765	29,258
Sale of Government Property	9,478	4,411
Factory Fees—Boiler Attendants, &c.	394	366
Repayment of Loans	5,000	..
	<u>92,343</u>	<u>77,088</u>

Payments from revenue in those years comprised:—

	£	£
<i>Administration—</i>		
Salaries	225,384	225,342
Salaries— <i>ex gratia</i> payments (Vote 50A)	1,336	..
Overtime and Penalty Rates	446	1,194
Travelling and Subsistence	4,900	5,198
Motor Vehicles—Purchase and Running Expenses	11,000	12,956
Other Administrative Expenses	26,611	26,503
	<u>269,677</u>	<u>271,193</u>
<i>Miscellaneous—</i>		
Maintenance, &c., State Batteries	2,000	1,924
Boring for Water, Coal, and other Minerals, &c.	131,000	134,909
Geological Survey	5,500	5,472
Laboratory Expenses	3,000	2,806
Covering Abandoned Shafts	6,999	7,199
Surveys for Mineral Deposits	20,000	17,457
Advances for Gold Mining	9,904	5,000
	<u>448,080</u>	<u>445,960</u>
Total Expenditure		

Included in the departmental payments from revenue in 1964-65, shown above, is expenditure estimated to be £33,477 incurred in the investigation and measurement of underground water resources. In respect of this expenditure, the State is eligible for recoup by the Commonwealth in terms of the *States Grants (Water Resources) Act 1964*. Particulars of this legislation are given at page 12 of this report.

PUBLIC WORKS.

This Department is the principal designing and constructing authority for all Government Departments other than the Railways, Water Supply, and Forests. It is also responsible for maintaining, fitting and furnishing buildings and for the renting of additional accommodation. One section of the Department is in charge of harbor works and improvements not under the control of harbor trusts or municipalities. Considerable sums of money are expended on these works from revenue, loan, and other sources.

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

	1963-64.	1964-65.
	£	£
Public Works Administration—		
Salaries	1,325,944	1,423,528
Salaries— <i>ex gratia</i> payments (Vote 50A)	8,783	..
Overtime and Penalty Rates	55,769	46,401
Travelling and Subsistence	86,234	90,128
Other Administrative Expenses	150,288	182,723
Total Administration	1,627,018	1,742,780
Works and Buildings—Maintenance, Repairs, &c.	501,560	499,988
Rents and Allowances	297,457	307,043
Other Services	294,096	329,976
	2,720,131	2,879,787
Ports and Harbors Administration—		
Salaries	196,155	198,578
Salaries— <i>ex gratia</i> payments (Vote 50A)	943	..
Overtime and Penalty Rates	38,848	33,181
Travelling and Subsistence	17,771	15,536
Other Administrative Expenses	4,461	5,106
Total Administration	258,178	252,401
Wharves and Jetties—Maintenance, Repairs, &c.	44,964	49,085
Contribution to Portland Harbor Trust	322,950	355,500
Other Services	42,314	43,917
	668,406	700,903
Total Public Works Department	3,388,537	3,580,690

Works financed from Loan Fund or from Trust or Special Funds and carried out under the supervision of the Department were subject to a charge to cover the departmental expenses involved in the design, supervision and administration of the works at the rate of 12·52 per centum except that, in some instances, where the circumstances warranted it, the percentage rate was slightly lower. Recoups to Consolidated Revenue on the basis of these and other charges amounted to £1,675,251. The comparable figure for 1963-64 was £1,570,858 when the charge for design, supervision and administration was 11·43 per centum.

Expenditure from Loan Fund amounted to £19,869,226, from Treasurer's Advance pending loan £3,634, and from Trust and Special Funds £1,105,993 a total of £20,978,853 as compared with a total of £18,217,984 from the same sources in the previous year. The major part of the expenditure in each year was incurred in the construction of buildings, the carrying out of works and the performance of services for various Departments. The extent to which each Department was concerned is indicated in this report under the appropriate departmental heading.

Loan expenditure on works associated with the activities of the Public Works Department itself, is summarized hereunder :—

Buildings, Works, &c., for—	£
Public Offices	923,211
Foreshore protection, wharves, and jetties	115,931
Dredging, blasting, and navigational aids	148,510
Vessels for dredging	573,381
Works & Services— <i>Western Port (Oil Refinery) Act 1963</i>	1,384,458
Plant was acquired from loan funds for departmental purposes during the year at a cost of	54,797

“Public Offices”, £923,211, includes progress payments made to the contractor and professional fees paid to consultants amounting in all to £280,465 on account of the State Offices in course of erection in the Treasury Reserve. Further, in connexion with this project, it is necessary to state that the amount due as at 30th June, 1965, under the “rise and fall” clause of the contract, was assessed at £67,876.

“Vessels for dredging”, £573,381, included expenditure amounting to £573,097 on the construction of a sea-going dredge at Maryborough, Queensland, for the Ports and Harbors Branch. Total expenditure in respect of this dredge up to and inclusive of 30th June, 1965, including charges by the Department for design, supervision and administration amounted to £832,420. The contract price for the dredge is £1,271,535 but the cost of the project is subject to certain variation clauses and, as indicated above, the addition of departmental charges.

“Works and Services—*Western Port (Oil Refinery) Act 1963*,” £1,384,458, is the expenditure in terms of the said Act during the year under review. Details are :—

	£
B.P. Port Development	1,156,388
Dredging and Shipping channels	132,592
Pilotage vessels and sea-going tugs	42,646
Bunding walls and jetty extension	22,730
Consultant fees	9,271
Charges for design, supervision and administration	20,831
	1,384,458

The total expenditure on this project up to the close of the year was £1,469,438.

As already indicated, various services and projects of the Department were financed to the extent of £1,105,993 from certain Trust and Special Accounts. The major accounts within this group are discussed below.

State Grants (Science Laboratories and Technical Training) Trust Account 1964.—The source of the receipts of this Account is given under “Trust and Special Accounts” in this report. With respect to the expenditure therefrom by the Public Works Department, the nature and amount of such expenditure are summarized hereunder :—

Science Laboratories and Equipment—

Buildings—	£	£
Erection	64,276	
Charges in respect thereof for design, supervision and administration (including payments to outside consultants)	7,866	
	72,142	
<i>Technical Training—</i>		
Buildings—		
Erection	137,339	
Equipment	1,864	
Charges in respect thereof for design, supervision and administration (including payments to outside consultants)	9,885	
	149,088	
		221,230

It should be noted that there was other expenditure from this Account, particulars of which are furnished herein under the general head of "Education".

Public Works Stores Suspense Account.—This Account was established under the provisions of Loan Act No. 5240 of 1947. An amount of £25,000 was provided under that Act and subsequent authorities increased the amount to £325,000. The allocation under these authorities to the 30th June, 1965, was £324,000. 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 so charged are credited to the Account.

The following statement shows, as at 30th June, 1965, the amount available for the purchase of stores and the value of stores on hand; and reconciles, as at that date, the sum of those two items with the amount allocated from Loan Fund for the purposes of the Account:—

	£
Cash balance as at 1st July, 1964—held in Treasury	203,125
Add—Issues pending recoup 1st July, 1964	37,086
	<hr/>
	240,211
Less—Sundry creditors 1st July, 1964	15,628
	<hr/>
Amount available for purchase of stores as at 1st July, 1964	224,583
Add—Recoups on account of stores issues, &c., 1964–65	287,594
	<hr/>
Amount available for purchase of stores, 1964–65	512,177
Less—Payments on account of stores, &c., purchased in 1964–65	366,812
	<hr/>
Cash balance as at 30th June, 1965—held in Treasury	145,365
Add—Issues pending recoup as at 30th June, 1965	35,612
	<hr/>
	180,977
Less—Sundry creditors as at 30th June, 1965	21,257
	<hr/>
Amount available after adjustment for the purchase of stores	159,720
Book value of Stores on Hand as at 30th June, 1965	164,196
	<hr/>
	323,916
Add—Amount retained by Treasury to meet Loan Discount and Expenses	84
	<hr/>
Amount allocated from Loan Fund for the purposes of the Account	324,000
	<hr/>

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

The fund is kept in two sections, viz., "Renewals and Replacements" and "Cost of Operating, Maintenance, &c.", to each of which an appropriate allocation of the hire charges is made.

As at the close of the year, the first named section was in credit to the amount of £337,947. On the other hand, the second section was in debit to the extent of £24,492. Thus, the net balance of the Fund, as at 30th June, 1965, was £313,455.

In order to liquidate the debit on the maintenance section, the Department has approved of new rates of hire with effect as from 1st July, 1965.

Discretionary power was provided under the Act for the investment of any balance and for the interest earned on investment to be credited to the Fund. So far, no part of the Fund has been invested.

Commonwealth Aid—Havens, Wharves, Jetties, &c.—Expenditure in relation to havens, wharves, and jetties is a Public Works Department responsibility and, by virtue of special provisions in the Commonwealth Aid Roads and Works Acts of past years and the current Act—the *Commonwealth Aid Roads Act 1964*—certain funds have been made available for expenditure on works other than road works directly connected with transport by road or water. The particular projects are determined by the Minister.

An amount of £30,212, representing the sum of unexpended portions of allocations of previous years under the provisions of the *Commonwealth Aid Roads Act 1959*, is held in a Treasury Trust Account. From the allocation of £196,736 in 1964–65 in terms of the *Commonwealth Aid Roads Act 1964*, the State disbursed £196,369, making a total of £2,967,357 expended since Commonwealth aid was first available for the purposes mentioned, viz., 1st July, 1947. The locations at which funds were expended during 1964–65 and other relevant particulars are:—

	£
Altona	2,672
Apollo Bay	14,032
Bairnsdale	926
Brighton	1,062
Cowes	94
French Island	119
Gellibrand	642
Gippsland Lakes	8,558
Hampton	2,134
Hastings	573
Inverloch	218
Lakes Entrance	8,756
Lorne	36
Mallacoota	1,716
McLaughlins' Beach	2,299
Mentone	1,430
Metung	4,853
Middle Brighton	8,343
Mordialloc	1,591
Mornington	10,914
Newhaven	119
Nyermilang	398
Ocean Grove	141
Paynesville	400
Point Lonsdale	4,368
Portarlington	1,010
Port Albert	60
Port Fairy	9,373
Port Franklin	175
Port Melbourne	2,121
Portsea	209
Port Welshpool	9,056
Queenscliff	11,727
Rosebud	6,936
St. Kilda	338
Sale	5,127
Sandringham	56
San Remo	6,971
Sorrento	292
Stony Point	2,922
Swan Hill	109
Warrnambool	2,488
Westernport	247
Werribee	214
Various Minor Works	22,193
Administrative Charges	158,018
	38,351
	<hr/> 196,369 <hr/>

RAILWAY ACCOUNTS.

The Principal Act, the *Railways Act* 1958, was, in 1961–62, amended to relieve the Railway Commissioners, as from that year, of the liability for interest, sinking fund payments and exchange on moneys borrowed by the State for railway purposes. However, as the result of the passing of the *Railway (Funds) Act* 1964, the Railway Commissioners, in the year under review, again became liable for interest, sinking fund payments and exchange but, in terms of the amending Act, only in respect of moneys borrowed for the purposes of the Principal Act as on and from the first day of July, 1960.

It is also provided in the Principal Act, as amended, for an account called the Railway Equalization Account to be kept in the Treasury Trust Fund and, in connexion with this Account, that, in any year in which railway income exceeds railway operating expenses, an amount equal to the excess shall be paid into the Account from Consolidated Revenue and that, in any year in which the opposite is the case, railway income shall be supplemented from any moneys standing to the credit of the Account.

In the year under review, railway operating expenses, which included debt charges as defined, exceeded railway income by £1,399,088. Consequently, in accordance with the statutory powers outlined above, Railway Income was supplemented on the last day of the year by the transfer of £1,084,800 from the Railways Equalization Account, which was the whole of the amount at credit of that Account. As to the balance of the railway deficit, viz., £314,288, this amount remained as a charge to Consolidated Revenue.

REVENUE ACCOUNT.

Railway operations for the year as recorded in the Treasurer's Accounts are set out in Statement No. 6 of this report and for the purpose of ready reference are summarized hereunder :—

	£	£
Working expenses, &c.	47,099,623	
Renewals and Replacements Fund	200,000	
Pensions and Superannuation contributions	2,435,245	
Interest, Sinking Fund, Exchange	1,592,815	
	51,327,683	
 This was provided by—		
Railway Income		49,671,831
General Revenue—		
For losses on Kerang-Koondrook line	13,764	
For credit for country freight charge concessions	143,000	
For concessions to pensioners	100,000	
	256,764	
Transfer from Equalization Account		1,084,800
Balance of deficit charged to Consolidated Revenue		314,288
		51,327,683

According to the accounts in the Railway books, there was a deficit of £1,164,754. The Department's accounts are kept on an accrual basis. So, also, are the Treasury accounts for railway expenditure. However, Treasury accounts for income are mainly cash records. The net financial results for the year, as disclosed in the two accounting systems, are reconciled in the following statement :—

	£	£
Deficit, as shown in Treasury books		1,399,088
Revenue outstanding (net) at—		
30th June, 1965	2,224,645	
30th June, 1964	1,990,311	
	234,334	
Deficit, as shown in Railway books		1,164,754

Collections on account of Railway Income, excluding the transfer from the Railway Equalization Account, amounted to £49,928,595—an improvement of £1,178,595 on the estimate and an increase of £3,740,349 as compared with the previous year.

The following dissection of earnings, taken from the Railway accounts, serves to show the trend under the principal heads in the past three years:—

	1962-63.	1963-64.	1964-65.
	£	£	£
Passengers	12,519,527	12,568,521	13,694,917
Parcels, horses, carriages, &c.	1,169,452	1,215,392	1,357,962
Mails	277,358	306,240	329,124
Miscellaneous	40,287	38,538	43,433
Goods and live stock, &c.	26,538,937	29,365,423	31,680,763
Rents and general miscellaneous	872,403	890,062	913,338
Dining car and refreshment rooms services	1,501,498	1,481,910	1,529,104
Advertising	105,060	109,271	104,117
Bookstalls	414,104	413,954	459,771
Road motor services	36,824	36,400	36,637
	43,475,450	46,425,711	50,149,166

Treasury recoups—£14,243 in 1962-63, £13,610 in 1963-64, and £13,764 in 1964-65 in accordance with the *Kerang and Koondrook Tramway Act* 1951, No. 5991—are not included in the above earnings.

Railway operating expenses, comprising working expenses, superannuation contributions, pensions and debt charges as defined in the Railways Act, amounted to £51,327,683. This sum was in excess of the estimate by £2,113,318 and, on a comparable basis, in excess of the previous year by £3,917,001.

In September, 1961, ten diesel locomotives were purchased on terms at an estimated cost of £943,780 including interest £106,720. Under the relevant agreement, the liability to the contractor was met over a period of three years by regular instalments including principal and interest. The three payments made in 1964-65, the final year of the three-year period, amounted to £117,331. The total cost of these locomotives has been charged to "Working Expenses" with the result that no part thereof has been capitalized and included in the Balance Sheet. In other instances in which the respective liabilities to contractors are being met over extended periods by regular instalments including principal and interest, the instalments are being charged to Loan Fund and, therefore, in conformity with usual railway practice, capitalized and included in the Railway Balance Sheet.

The following comparative statement shows charges other than debt charges on general revenue due to railway operations during the past three years:—

	1962-63.	1963-64.	1964-65.
	£	£	£
Pensioners' Fares Concessions	100,000	100,000	100,000
Freight Subsidies	143,000	143,000	143,000
Recoups, Kerang-Koondrook Railway	14,243	13,610	13,764
Charge on General Revenue	257,243	256,610	256,764

The item "Pensioners' Fares Concessions—£100,000" is the amount of the payment to the Railways under the authority of the Annual Appropriation Act.

Depreciation and Accrued Leave.—As stated in previous reports, the Railway accounts do not disclose the full financial results. For example, depreciation and accrued leave have not been fully provided for in the revenue accounts. Depreciation was assessed at £3,288,110 for the year, but the amount charged in the accounts was £297,944, i.e., part of the sum credited to the Renewals and Replacements Fund, leaving £2,990,166 unprovided for in the charge against revenue. The accumulated sum which has not been provided from revenue is £27,552,299. However, £2,373,492 has been received from sales of materials, &c., and the shortage in the fund has been more than overcome by loan allocations, £59,596,592, for replacement (rehabilitation) works. Accrued leave was reduced by 8,714 days in 1964-65, but the estimated liability increased from £1,849,191 as at 30th June, 1964, to £2,009,647 as at 30th June, 1965. There is no provision in the form of a reserve fund to meet the liability. Working expenses of the year in which the payments are made bear the cost of the annual leave accrued in previous years.

Railway Renewals and Replacements Fund.—Section 115 of the *Railways Act 1958* requires that there shall be paid annually into the Fund a minimum sum of £200,000 and any other amounts provided by Parliament, in addition to the net proceeds from the sale of materials.

A summary of the 1964–65 transactions through the fund is as under:—

	£
Special Appropriation—Act No. 6355	200,000
Depreciation on rail motors and road motors, &c.	97,944
Sundry sales and abolitions, &c.	177,915
	475,859
Less renewals and replacements during the year	475,859
Balance at 30th June, 1965	Nil

LOAN EXPENDITURE.

Principal items in the Railway Loan Application Acts 1963 and 1964, Nos. 7071 and 7180 respectively are less in number than, and, in respect of two of the three such items, are different in description from those contained in each of the preceding Railway Loan Application Acts. Further, it is noticeable that the item, "Replacement (Rehabilitation) Works", has been omitted from the above-mentioned Loan Application Acts and that each of the Items 1 and 2 in such Acts includes authorities for expenditure on both renewals and capital works.

In the following comparative summary, the first three works classifications coincide with the descriptions in the current Acts. The description, "Replacement (Rehabilitation) Works", has been retained in the summary in order to show the expenditure on that Item in each of the preceding four years.

Description of Works.	1960-61.	1961-62.	1962-63.	1963-64.	1964-65.
	£	£	£	£	£
Way and Works	2,610,010	4,188,783	3,060,799	4,325,145	4,101,627
Rolling-stock, Equipment, &c.	206,795	219,695	184,251	3,195,127	3,439,371
Construction of new lines	172,895	250,974	211,513	159,150	138,609
Replacement (Rehabilitation) Works	4,573,910	3,004,922	4,352,658	130,763	—
	7,563,610	7,664,374	7,809,221	7,810,185	7,679,607

BALANCE-SHEET.

An abridged statement of the balances in the Railway accounts as at 30th June, 1964 and 1965 is as under:—

	1964. £	1965. £
Rolling-stock, Plant, &c., at cost less depreciation provided	182,148,201	190,079,033
Stores and Materials	3,739,174	3,745,955
Partly-manufactured Articles	219,607	240,015
Refreshment Services, Stock and Equipment less provision for losses	278,819	310,057
Discounts and Expenses on Loans	2,537,383	2,589,522
Deferred Renewals, Replacements, and Maintenance Works	525,000	525,000
Funds at Treasury—		
Railway Accident and Fire Insurance Fund	100,000	100,000
Railway Charges in Suspense Account	1,573,046	1,985,383
Railways Stores Suspense Account	1,171,696	1,327,077
Railways Repayment Account	3,818	4,809
Railway Equalization Account	1,084,800	—
Advances to Agent-General	117,784	72,026
Trust Securities	1,591,032	2,181,028
Cash at stations and in transit	236,380	318,854
Cash Advances	193,866	750,012
Revenue Debtors	2,024,842	2,218,938
Sundry Debtors	956,243	667,724
Appropriation to Railway Equalization Account	1,084,800	—
Accumulated loss	65,474,814	66,639,568
	265,061,305	273,755,001

	1964. £	1965. £
Loan Liability	144,846,621	151,103,128
Funds for—		
Uniform Railway Gauge Works	15,652,161	15,604,242
Level Crossings Fund—Act No. 6229	2,093,978	2,249,601
Other Special Purposes	5,951,565	5,951,565
Special Works—Commonwealth Grant	586,000	586,000
National Debt Sinking Fund Reserve	20,559,669	22,071,760
Uniform Railway Gauge Sinking Fund Reserve	147,839	195,758
Railway Accident and Fire Insurance Reserve	100,000	100,000
Railway Equalization Reserve	1,084,800	—
Advances from the Public Account	642,021	606,687
Sundry Creditors	3,251,877	4,236,210
Trust Securities	1,594,849	2,185,836
Consolidated Revenue, &c.	68,549,925	68,864,214
	265,061,305	273,755,001

N.B.—The total loan liability was reduced by the equity in the National Debt Sinking Fund.

Railway Charges in Suspense Account.—At 30th June, 1965, there was a credit balance of £1,985,383. Details are:—

	£
Credits—	
Salaries and Wages accrued	1,078,272
Taxation Deductions, &c.	249,838
Sundry Creditors for various services	540,121
Revenue refunds and rebates due	512,585
Amounts received in advance for works	196,965
	2,577,781
Debits—	£
Expenditure on works for other bodies, &c.	536,742
Sundry Debtors for sales and services	50,538
	587,280
	1,990,501
Less—Amount transferred to Income	5,118
	1,985,383

The item, “Expenditure on works for other bodies”, includes an amount of £10,968 on account of the rectification of the Spencer-street Station Building. This amount is the remainder of the charge on this account, which charge, at the commencement of the year, stood at £120,968. The amount of the reduction in the account, £110,000, was part of a sum of £140,000 which, under agreement between, on the one hand, the Railway Commissioners and, on the other, one of the companies concerned in the work in connexion with the rebuilding of the Spencer-street Station, was to be paid to the Commissioners in consideration of the release and discharge of the Company from all claims in respect of any work performed by it in connexion with such project. Such settlement was to be effected by a cash payment of £100,000 and a set-off of £10,000 and the payment of the balance by annual instalments of £6,000 over a period of five years. As indicated by the reduction in the relevant account, the cash payment of £100,000 and the set-off of £10,000 were duly made during the year.

Railways Stores Suspense Account.—Section 111, *Railways Act 1958*. This account was established by statute in 1896. It is designed to provide financial control over the purchase and issue of stores and the stock on hand. To 30th June, 1959, Parliament had allocated £5,065,221 for the purposes of the account. However, a repayment of £565,221 to the Loan Fund in October, 1959, reduced the actual allocation to £4,500,000, which, as at 30th June, 1965, was represented by the following items:—

	£
Stock on hand	3,745,955
Less Creditors for stores purchased	657,227
	3,088,728
Railways equity in the stock	69,010
Stores sold and proceeds not collected	15,185
Advances to the Agent-General, London	—
	3,172,923
Balance held at Treasury	1,327,077
	4,500,000

Stock on Hand.—£3,745,955.—This amount represents stock financed from the Suspense Account pending issues for works or purposes the expenditure on which is chargeable to Parliamentary appropriations.

In addition, there is a considerable quantity of stores the value of which is not included in the stock figures in the balance sheet. The cost of these stores is borne by funds provided for the works on which they are to be used.

Provision for Losses.—Within the framework of the authorized account for the purchase and issue of railway stores, the Department has created a reserve known as the "Stores Stock Equalization Account". This account is used, *inter alia*, for writing off losses, writing down the recorded values of stores and for absorbing variations arising from the costing of articles manufactured in the departmental workshops.

Details of many of the transactions are not readily ascertainable as the entries in respect thereto are net figures. However, it has been possible to extract the following information from the account:—

	£	£
Losses or reduction of values of stores	18,088	..
Costing adjustments—		
Losses	24,017	..
Profits .. .. .	..	16,246
Other credits .. .. .	..	10,566
Debit balance 30th June, 1965, written off to Working Expenses ..	..	15,293
	42,105	42,105

Discount and Expenses on Loans.—The amount, £2,589,522, at which these capitalized costs of loan flotations appear among the debit balances, is higher than the previous year by £52,139. This is part of the loan liability but it is not represented by assets.

Railway Accident and Fire Insurance Fund.—The fund was originally established in 1891 as a Railway Accident Fund with provision for a reserve limited to £100,000. Amendments to the legislation instituted the Accident and Fire Insurance Fund and enlarged the range to be covered by the fund but did not increase the amount to be held in reserve.

The fund was preserved at the statutory limit of £100,000 by appropriation from revenue of £766,415 to meet the following expenditure in 1964-65. The expenditure in 1962-63 and 1963-64 is also shown:—

	1962-63.	1963-64.	1964-65.
	£	£	£
Damages recovered by non-employees at law	27,339	16,066	36,952
Damages paid to non-employees without legal action ..	7,425	24,954	2,698
Compensation for injuries to employees	400,649	427,765	531,733
Compensation for goods lost or damaged	94,170	94,869	134,979
Compensation for losses by fires caused by railway operations ..	370	858	729
Losses by fire to railway property	20,194	16,776	59,324
	550,147	581,288	766,415

Debtors.—The amounts outstanding at 30th June, 1963, 1964 and 1965, are shown:—

	1963.	1964.	1965.
	£	£	£
Revenue services rendered	1,681,145	2,024,842	2,218,938
Works	512,770	790,380	536,495
Sales of general stores	67,751	105,493	69,034
Sundry sales and services	31,780	35,937	50,537
Sales of land	61,040	24,433	11,658
	2,354,486	2,981,085	2,886,662

Creditors.—A classification under broad headings at 30th June, 1963, 1964 and 1965, is shown :—

	1963.	1964.	1965.
	£	£	£
Stores purchased for railways	450,284	530,795	657,227
Stores purchased for refreshment services	28,589	31,309	26,561
Salaries and wages accrued	623,644	938,579	1,078,272
Income Tax Commissioner, &c.	451,051	221,643	249,987
Accounts for various services	512,679	701,692	539,971
Revenue rebates and refunds	660,519	324,296	512,585
Payments in advance for works	246,530	232,652	196,718
Payments in advance for revenue services, &c.	272,240	270,911	313,146
Cash accounts overdrawn .. .. .	..	..	661,743
	<u>3,245,536</u>	<u>3,251,877</u>	<u>4,236,210</u>

Advances from the Public Account—£606,687—Periodically, adjustments are made as between Railway Income and Treasury Advances by means of the retention at the Railways of collections to the extent necessary for the purpose. During the year, adjustments of this nature resulted in the payment into the Railway's Advance Account from Railway Income of a total sum of £359,300. Actually, as at the close of the year, Railway Income was over credited by £5,118. In the Treasury, this amount was offset by a debit of a like amount to Railway Charges Suspense Account.

Level Crossings Fund.—Moneys in the fund are applied towards, *inter alia*, “generally, reducing danger at level crossings”. The relevant legislation—Section 115 of Act No. 6229—does not exempt the Commissioners “from any liability to pay for such works in so far as moneys are not applied thereto from the said fund”.

The amount expended by the Commissioners, including £155,623 in the year 1964–65, was £2,249,601 to 30th June, 1965. This latter amount is in the balance-sheet as part of the total expenditure on capital works.

City of Melbourne Underground Railway.—Act No. 6652 of the 15th June, 1960, authorized the construction of a railway to be called the City of Melbourne Underground Railway. For the purpose of preliminary expenditure on this project, Parliament authorized in the *Railway Loan Application Act* 1964 a sum of £50,000. Under this and prior authorities sums amounting to £121,578 had been expended up to and inclusive of 30th June, 1965.

STATE COAL MINE—WONTHAGGI.

Under the provisions of the Coal Mines Act, the State Coal Mine is vested in the Railways Commissioners. The following statement summarizes the operations during the last four years as shown in the books of the Mine.

	1961-62.	1962-63.	1963-64.	1964-65.
	£	£	£	£
Expenditure—				
Working Expenses	480,806	424,992	397,870	382,052
Contributions to Pension Funds	46,977	46,996	43,975	32,211
Contribution to Accident Fund	144	159	141	122
Pay-roll Tax	9,831	8,950	8,655	7,816
Depreciation	25,162	25,306	2,450	2,450
	562,920	506,403	453,091	424,651
Revenue	259,124	238,355	240,404	224,475
Loss for year	303,796	268,048	212,687	200,176

A comparison of revenue for the last four years is:—

	1961-62.	1962-63.	1963-64.	1964-65.
	£	£	£	£
Sale of Coal	179,856	154,720	144,748	130,400
Electric Light and Power	65,062	71,263	74,766	76,688
Miscellaneous	14,206	12,372	20,890	17,387
	259,124	238,355	240,404	224,475

Operations in 1964-65 resulted in a loss of £200,176 compared with the loss of £212,687 in 1963-64.

The deficit on a cash basis in the Treasury was £204,801. The difference of £4,625 between the Treasury and the Mine's books at 30th June, represents unpaid accounts, coal on hand, &c.

As mentioned in earlier reports, the price for coal taken by the Railway Department for its own use or sale is fixed by the Commissioners on a formula based on results obtained from tests with New South Wales (Maitland) coal.

Disposals of coal in the period 1961 to 1965 are shown hereunder:—

	1961-62.	1962-63.	1963-64.	1964-65.
	tons	tons	tons	tons
Railway Department	14,335	15,345	14,735	8,445
Electricity Commission	19,319	14,917	11,860	15,863
Employees	2,353	2,099	2,005	1,773
Public	4,707	2,830	4,023	3,105
Used in Mine's Works	13,155	14,293	13,561	13,070
	53,869	49,484	46,184	42,256

BALANCE-SHEET.

A statement of the State Coal Mine balances at 30th June, 1964, and 1965, is as under :—

	1964.	1965.
	£	£
Works, Machinery, and Plant at cost, less depreciation	298,672	308,902
Stores and Materials	19,910	20,202
Coal Stocks	3,332	3,282
Discounts and Expenses on Loans	641	641
Funds at Treasury—		
Depreciation Fund	80,866	69,580
Trust Fund—Charges in Suspense	6,418	9,397
Cash	7,150	5,922
Deposits on Contracts	2,273	2,332
Sundry Debtors	23,533	30,493
Accumulated Loss	4,806,615	5,006,791
	<hr/>	<hr/>
	5,249,410	5,457,542
National Recovery Loan (non-interest bearing)	24,500	24,500
Advances from Public Account	17,576	18,862
Sundry Creditors	27,378	26,974
Depreciation Fund Interest Reserve	106,585	109,035
Sinking Fund	354,000	354,000
Advances from Consolidated Revenue	4,719,371	4,924,171
	<hr/>	<hr/>
	5,249,410	5,457,542
	<hr/>	<hr/>

STATE RIVERS AND WATER SUPPLY COMMISSION.

Country Water Supply.

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. It is engaged not only in country water supply within the constituted districts; it has other duties which are unremunerative, such as investigations and research, and supervision of works for other bodies and persons. In addition, it is a constructing authority for the carrying out of works for the River Murray Commission.

Revenue.

A summary of the revenue from rates and charges for the supply of water for the period 1960-65, final figures being used except for the last year of the series, is furnished hereunder :—

	Amounts Collectable.			Amounts Credited.	Arrears as at 30th June.
	Water Sales and Miscellaneous.	Assessments of Rates and Charges.	Total Collectable Sum Including Arrears.		
	£	£	£	£	£
1960-61	849,030	2,015,168	3,443,872	2,955,613	488,259
1961-62	1,178,191	2,304,217	3,970,667	3,362,773	607,894
1962-63	930,789	2,458,099	3,996,782	3,454,940	541,842
1963-64	1,009,330	2,525,286	4,076,458	3,527,986	548,472
1964-65	1,179,050	2,768,405	4,495,927	3,856,449	639,478

The only variations in rates and charges during 1964-65 were as follows :—

- (i) the irrigation charges in three irrigation districts were increased respectively by 10s. per acre foot;
- (ii) the minimum amount of the general rate in the first division in each of several waterworks districts was subject to increase varying from £4 to £16 per holding of 640 acres; and
- (iii) the respective rates in 37 urban districts were reduced in order to offset the effect of higher valuations by municipalities.

Of the total collectable sum, 85·8 per cent. was received during the year, as compared with 86·5 per cent. in the previous year. In this connexion, it should be noted that amounts due for water sales do not bear interest until a date some months after the close of the year and, accordingly, consumers tend to defer payment of such amounts until late in the interest-free period. In the circumstances, a better indication of the degree to which collection is effected is obtained by a comparison of the sum of the collections on account of current rates and charges with the total amount assessed under those heads. On this basis, the percentage of collection was 93·6 per cent. in 1964-65 as compared with 94·3 per cent. in 1963-64.

A dissection of the collectable sum and the amount thereof owing at the 30th June, 1965, is given in the statement hereunder :—

	Total Collectable Sum.	Arrears 30.6.65.
	£	£
Irrigation Districts	2,330,623	354,766
Waterworks Districts	616,570	25,631
Urban Districts	1,004,223	205,704
Flood Protection Districts	44,859	2,975
Drainage Districts	27,625	4,956
Coliban Districts	296,851	41,325
Sundries	175,176	4,121 (Approx.)

Other receipts on account of Consolidated Revenue are obtained by way of oncost and direct recoup from loan and other funds provided for expenditure on works and for other purposes.

These recoups were obtained as follows:—

	1962-63.	1963-64	1964-65.
	£	£	£
From Oncost—			
On loan expenditure at 10 per cent. on £3,966,670 in 1962-63; on £5,183,879 in 1963-64; and on £5,310,587 in 1964-65	396,667	518,388	531,059
At various rates (1 to 6 per cent.) on loan expenditure of £811,516 in 1962-63; £463,903 in 1963-64; and £539,229 in 1964-65	37,771	26,167	33,773
On other funds	15,279	12,991	28,865
From Repayments on account of works temporarily financed from Consolidated Revenue	120,926	110,838	132,866
From Salary recoups—River Murray Commission and other funds	432,365	465,638	508,701
	<u>1,003,008</u>	<u>1,134,022</u>	<u>1,235,264</u>

The above summary discloses, in respect of revenue receipts from oncost charges on loan expenditure generally, that the rise in such expenditure over the past three years has contributed to the marked upward trend in receipts from this source.

Cash Summary.—Details of the cost to the State in connexion with Country Water Supply are set out in Statement No. 7 appended to this report. A summary prepared on a cash basis for the period 1960-65 is given in the table hereunder:—

—	Receipts, Including Recoups.	Expenditure.			Cash Deficit.	Loan Expenditure.
		General.	Debt Charges.	Total.		
	£	£	£	£	£	£
1960-61	4,283,539	4,014,607	5,483,647	9,498,254	5,214,715	8,094,984
1961-62	4,865,633	4,251,415	6,053,361	10,304,776	5,439,143	7,955,704
1962-63	5,009,175	4,293,185	6,500,947	10,794,132	5,784,957	8,053,886
1963-64	5,388,935	4,396,488	6,799,643	11,196,131	5,807,196	8,294,343
1964-65	5,769,001	4,739,323	7,253,688	11,993,011	6,224,010	8,712,087

NOTE.—The summary does not include expenditure amounting to £30,000 in 1961-62 and £12,555 in 1962-63 financed from Special Works Trust Account—Commonwealth Grant.

As the summary indicates, there was an increase in expenditure of £796,880 including an increase of £454,045 in debt charges offset by an increase in revenue of £380,066. Thus the net increase in the cash deficit as between 1963-64 and 1964-65 was £416,814.

Included in the departmental payments from revenue and loan in 1964-65, shown above, is expenditure estimated to have amounted to £10,602 incurred in the investigation and measurement of the discharge of rivers and the investigation and measurement of underground water resources. In respect of this and certain expenditure by other government authorities, the State has received from the Commonwealth, by way of advance, an amount in terms of the *States Grants (Water Resources) Act 1964*. Particulars of this advance and the relevant legislation are given at page 12 of this report.

Works Expenditure.—Included in the loan expenditure for the year shown in the foregoing statement, is a sum of £6,464,649 in respect of works undertaken by the Commission. The principal items were:—

		<i>Nature of Works.</i>	£
Irrigation Districts	..	Principally the remodelling and construction of main channels and drainage works	1,907,153
Buffalo River	..	Construction of a storage of 16,000 acre feet on the Buffalo River to serve irrigators along the Buffalo River and also the City of Wangaratta	1,227,514
Bellfield Reservoir	..	Construction of a storage of 60,000 acre feet on Fyans Creek near Halls Gap. This will supplement existing storages serving the Wimmera-Mallee System	1,098,713
Mornington Peninsula System		Completion of Devilbend Creek Reservoir (£184,699) and extension of pipelines and reticulation	726,815

Irrigation Districts Maintenance Equalization and Renewals Account.—The main purpose of this Account is to have moneys set aside therein to defray, as required, 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. Further, pursuant to the provisions of Section 68 of the *Water (Irrigation) Act 1959*, No. 6582, the Auditor-General is required to certify to such cash surpluses and it is within the discretion of the Treasurer whether the sum of the surpluses so certified shall be paid to the credit of the Account out of Consolidated Revenue or out of Loan Fund or partly out of each. In 1964–65, the necessary sum, £235,842 7s. 1d., was provided from Loan Fund.

Stores Suspense Account.—Up to and inclusive of 30th June, 1965, loan moneys amounting to £1,206,000 have been made available for the purpose of financing this Account.

In the Treasurer's Trust Fund statement, as at 30th June, 1965, the balance at credit of the Water Supply Stores Suspense Account is shown as £722,684. This amount is represented in the Commission's books by:—

	£	£
Balance available for purchases of stores, &c.		315,318
<i>Plus</i> Credit Balances of Plant Operating Accounts—		
“Hire Plant” Accounts	342,596	
Plant and Machinery Administrative Adjustment Account	64,770	
	<hr/>	407,366
Balance—Water Supply Stores Suspense Account		<hr/> 722,684

The balances of the Plant Operating Accounts have reached the substantial figures shown as a result of credits from plant-hire charges made against works expenditure authorities.

Particular aspects of this Account, to which reference was made in my report for 1957–58, are in my view, still unsatisfactory.

As at 30th June, 1964, the aggregate of the balances at credit of the several “Hire Plant” Accounts was £320,173, as compared with £342,596 as at the close of the year under review.

In previous reports, reference has been made to the credit balances in the Plant Operating Reserve Account and the Interest Redemption and Administrative Account. As at 1st July, 1964, the balances of these two Accounts were amalgamated in one Account under the name of the “Plant and Machinery Administrative Adjustment Account”. The net result of the transactions recorded in the new Account are summarized hereunder:—

	£	£
Credit balances as at 1st July, 1964—		
From—		
Plant operating Reserve Account	3,143	
Interest Redemption and Administrative Account	71,701	
	<hr/>	74,844
In 1964–65—		
<i>Plus</i> —One-half of Holding Charge	26,549	
Net excess of provisions on Repairs and Maintenance in “Hire Plant” sold	15,094	
	<hr/>	41,643
		<hr/> 116,487
<i>Less</i> —Net loss on sale of plant and spare parts	15,997	
Recoup of salaries of Mechanical and Plant Section	15,727	
Net debit for Motor Vehicle Insurance on Hire Plant	11,556	
Part cost of operating Central Plant Workshops	7,761	
Depreciation and repairs to Garage equipment	289	
Net miscellaneous adjustments	387	
	<hr/>	51,717
Credit balance at 30th June, 1965		<hr/> 64,770

The balance of £71,701 brought forward at 1st July, 1964, from Interest Redemption and Administrative Account was accumulated as a result of the imposition of penalty rates, referred to by the Commission as "holding charges" to cover idle time, and from excess provision in plant-hire charges for interest and redemption.

The amounts raised in the hire charges for interest and redemption and insurance during 1964-65 were not extracted from the individual Plant Operating Accounts. Therefore, it is not known whether the amounts raised in respect of these items were in excess of or less than the amounts necessary to meet the relevant items of expenditure.

During the year, plant and spare parts, the book value of which was £18,999 were sold for £3,002. The resultant net loss of £15,997 was written off as shown in the foregoing statement. As I have indicated in previous reports, the several accounts within the Stores Suspense Account in the departmental books allow of financial adjustments as outlined above without Treasury knowledge. For this reason, I suggest that the Water Supply Stores Suspense Account in the Treasurer's Accounts should be appropriately divided in order to distinguish clearly the nature of the operations on the Account.

Stores.—According to Commission records, the book values of plant, tools and general stores at 30th June, 1965, were:—

	Plant.	Tools and Stores.
	£	£
At Construction Works	126,414	247,087
Stores Suspense Accounts (Depots)	126,538	646,715
At Central Plant Workshops (Suspense Accounts)	4,940	107,709
At Central Plant Workshops pending transfer or disposal	25,498	38,712

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

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

Reference was made in a previous report to a specific loss on the sale of certain stores. As yet, the method of accounting for losses of this nature in the Treasury and Commission financial records has not been determined.

Plant and Machinery.—Expenditure from loan funds during the year for the purchase of movable plant and machinery to be engaged on the construction and maintenance of the works of the Commission totalled £98,196. The capital liability at 30th June, 1965, in respect of this plant and machinery was £1,700,451.

Under the provisions of the Water Act, the cost of this plant and machinery is not charged directly to any district, but, when such plant and machinery is used on construction and maintenance works, a charge for depreciation is made and the amount is paid to the Water Supply Plant and Machinery Depreciation Fund. At 30th June, 1965, the balance in the Fund for the replacement of hire plant and machinery was £909,775.

Measurement of the adequacy of the Fund for the purposes for which it was established requires information relating to the cost of the "hire plant" which is not readily available from the Commission's financial records.

Depreciation—Works—Water Supply Works Depreciation Fund and Account.—Pursuant to the provisions of Section 83 of the *Water Act* 1958 as amended, the Commission is required to raise, by means of annual rates and charges, moneys to provide for the replacement of any machinery, plant, or perishable structures comprising the works of the constituted districts with the exception of irrigation districts.

The sums raised in the annual rates and charges for depreciation must be paid into Consolidated Revenue or, to the extent the Treasurer directs, to the Water Supply Works Depreciation Fund. Also, the sums raised (with interest credited thereon) must be shown in the Commission's books to the credit of the Water Supply Works Depreciation Account.

The amount raised for credit to the Water Supply Works Depreciation Account in 1964-65 was £206,060, which included £998 on account of Eildon Sewerage. On the other hand, in recent years, no payment has been made to the Fund and, as at 30th June, 1965, no balance was held in the Fund. At the same date, the balance of the Account was £1,594,181 including £7,532 in respect of Eildon Sewerage.

Rivers and Streams Fund.—This Fund operates pursuant to the provisions of the *River Improvement Act 1958*.

Payments into the Fund totalled £60,947 and expenditure amounted to £64,985. The balance at the close of the year was £154,835.

River Murray Commission.—The agreement made under the provisions of the *River Murray Waters Act (No. 2596)* provides for the construction of works on the River Murray and for the appointment of the River Murray Commission to give effect to the agreement. The State Rivers and Water Supply Commission which is a constructing authority under the terms of the Act, incurred expenditure on these works amounting to £62,976.

In 1964-65, under the authority of *Water Supply Loan Application Acts Nos. 7056 and 7218*, Victoria contributed £195,000 for the construction of works, bringing the State's total contribution for construction as at 30th June, 1965, to £5,796,195. Also, £99,000 was contributed for maintenance and administrative expenses during 1964-65.

The books and accounts of the River Murray Commission are subject to audit by the Commonwealth Auditor-General.

State Rivers 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 £155,225 and expenditure, including refunds of contributions, amounted to £131,853. The balance in the Account at the close of the year was £95,088.

Waterworks Trusts.—Supervision of Waterworks Trusts is vested in the State Rivers and Water Supply Commission. The accounts of the Trusts are required by Section 169 of the *Water Act 1958* to be audited by my officers.

Funds for capital works by the Trusts have been provided principally by advances made available by the State. Works have also been financed from the Trusts' own resources and, in recent years, from debenture loans raised under the provisions of the Act. In terms of an item in the annual Appropriation Act, interest in excess of 3 per cent. on debenture loans is recouped to Trusts by the State. Expenditure under this heading for the year was £16,646.

In 1964-65, advances to various Trusts by the State amounted to £1,108,206. Repayments by Trusts on account of advances amounted to £72,097, and certain Trusts were relieved of liability to the extent of £172,868. 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 £863,241.

Under the authority of an item in the annual Appropriation Act, country town water supply authorities are, subject to certain conditions, subsidized where the effective water rate exceeds the equivalent of 3s. 6d. in the £1 of net annual valuation. Under this authority, eleven Waterworks Trusts were so assisted in 1964-65 and the total amount involved was £3,761.

River Improvement Trusts.—To 30th June, 1965, 20 River Improvement Trusts and 4 Drainage Trusts had been constituted under the *River Improvement Act*.

The Act authorizes the Trusts to borrow money to finance works construction, and to raise revenue to meet maintenance and administration costs on similar conditions to those operating for Waterworks Trusts. Interest in excess of 3 per cent. on debenture loans raised by Trusts is recouped by the State. The amount provided by the State in 1964-65 for this purpose was £1,848.

Advances by the State in 1964-65 totalled £220,000. Repayments in respect of advances amounted to £665 and the Trusts were relieved of liability to the extent of £182,768 which the Governor in Council directed to be borne by the State, so that the net increase in the Trusts' indebtedness for State loans was £36,567.

Country Sewerage.—In addition to its function of administering the Water Act, the Commission exercises general supervision over Sewerage Authorities.

Funds for capital works by the Authorities have been provided by advances made available by the State. Works have also been financed by the Authorities from private loans raised under the provisions of the Sewerage Districts Act. Interest in excess of 3 per cent. on such loans is recouped to Authorities by the State. Expenditure under this heading for the year was £370,015.

Advances by the State in 1964-65 totalled £426,059. Repayments in respect of advances amounted to £6,528 and the Authorities were relieved of liability to the extent of £173,453 which the Governor in Council directed to be borne by the State so that the net increase in the Authorities' indebtedness for State loans was £246,078.

In addition, the State advanced £511,079 to the Latrobe Valley Water and Sewerage Board for works for the supply of water and the treatment or disposal of waste.

Eildon Sewerage District.—During the year, the Commission continued to exercise and discharge the powers and duties of the Eildon Sewerage Authority. Expenditure on the sewerage works amounted to £249,905 of which £103,800 only was allocated as the capital liability of the sewerage district.

Rates and miscellaneous charges levied in 1964-65 totalled £7,273 of which £6,816 or 93·7 per cent. was paid during the year. Costs chargeable to the district amounted to £6,342 plus depreciation £998.

TRUST AND SPECIAL ACCOUNTS.

Itemized Trust Funds and Special Accounts are included in the Treasurer's Finance Statement. The balances of all funds and accounts are held by way of investment or on general account and the operations of many are regulated by statute. The transactions recorded annually are numerous and, in total, of considerable magnitude, debits to all funds and accounts aggregating in 1964-65, £209,057,978 and credits, £208,663,484.

Statement No. 4 of this report summarizes the State's liability in respect of trust moneys and securities lodged with the Treasurer.

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

Account or Fund.	Purpose for which Established.	1964-65.		Balance 30th June, 1965.
		Debits.	Credits.	
		£	£	£
Appeals Costs Fund ..	Established in accordance with the <i>Appeals Costs Fund Act 1964</i> , to record the financial transactions authorized in that Act	..	20,229	20,229
B.P. Benthic Survey Trust Account	To record expenditure incurred in connexion with a benthic survey of Westernport Bay in respect of which the British Petroleum Company of Australia Limited has indicated its support to the extent of £5,000	1,025	2,500	1,475
Commonwealth Aid Roads 1964—	To account for the grants made to the State pursuant to the <i>Commonwealth Aid Roads Act 1964</i> and the respective expenditures therefrom in terms of the said Act. (For further details of these grants—see pages 68 and 107)			
No. 1 Account		7,475,954	7,475,954	..
No. 2 Account		196,369	196,735	366
No. 3 Account		5,115,126	5,115,126	..
*Commonwealth-State Grants (Mental Institutions) Trust Fund	To record the receipt and allocation of the moneys received from the Commonwealth in terms of the <i>States Grants (Mental Health Institutions) Act 1964</i> to the appropriate Treasury Accounts. (For further particulars in respect of these moneys—see page 60)	355,689	355,689	..
Dookie Agricultural College Fire Insurance Trust Account	To account for the proceeds of a claim against the Government Fire Insurance Pool and the expenditure from such proceeds on the replacement of fodder, equipment, buildings and other facilities destroyed by fire at the College in June, 1964	4,799	8,402	3,603
Drought Relief 1965 Account	Created for the purpose of receiving cash donations from the public and other sources to provide for the purchase of feed for stock in drought stricken areas	..	2,947	2,947
Forests Equipment Hire Account	Established by the provision of £1,000 from Consolidated Revenue as authorized by Division 65-3-8 of the Appropriation Act for 1964-65. Such provision is to facilitate, pending recoup, the accounting arrangements which necessarily arise when the Forests Department hires equipment, plant, &c., to other Departments or Authorities or destroys infected trees on private land	2,336	19,837	17,501
Hypar Pig Production Account	Created to receive contributions from pig breeders towards the cost of producing, at the Animal Husbandry Research Centre, Werribee, piglets free from infectious pneumonia	1,398	2,000	602
M. A. Ingram Seal Research Account	Established to receive donations from the M. A. Ingram Trust, a Melbourne Conservation Foundation, to enable the Fisheries and Wildlife Department to conduct a seal research programme	270	2,500	2,230
La Trobe University (Commonwealth Subsidy) Account	To record the receipt and transmission of moneys granted by the Commonwealth pursuant to the provisions of its <i>Universities (Financial Assistance) Act 1963-64</i> on account of the La Trobe University	23,772	23,772	..
Mt. Buller Alpine Reserve Account	Created to account for moneys collected by the Mt. Buller Alpine Reserve Committee of Management and for the expenditure from such moneys for the purposes as defined in Section 50, Sub-section (6) of the <i>Forests Act 1958</i> (as amended)	..	1,460	1,460

*Note.—A similar account was in operation up to and inclusive of 1960-61.

Account or Fund.	Purpose for which Established.	1964-65.		Balance 30th June, 1965.
		Debits.	Credits.	
Additional Public Instruction, Scholarship, and Prize Funds— George Garibaldi Turri..	Established by the application of the residuary estate of George Garibaldi Turri for the purpose of financing an approved scholarship scheme	£	£	£
		..	310,800	310,800
A. E. Gibbs	The credit to this Fund represents a bequest by the late A. E. Gibbs to the Majorca State School to provide annually an award for the School's top senior student	..	100	100
Frankston High School..	Created for the purpose of the continuation of the scholarship scheme at the Frankston High School and financed by the transfer of £160 standing to the credit of the Frankston High School Welfare League in the Sundry Investments Interest Account with the addition of a gift of £130 received in 1964-65	..	290	290
Public Works Equipment Hire Account	Established by the provision of £500 from Consolidated Revenue under the authority of Division 60-3-8 of the Appropriation Act for 1964-65. This Account is to record the charges by the Public Works Department for the hire of its equipment, plant, &c., pending recoup by the Authorities concerned	..	500	500
Public Works Security Account	To record the receipt and disposal of cash deposits lodged with the Public Works Department as security for the satisfactory performance of contracts	..	62,649	62,649
Roads (Special Projects) Fund	Established under the authority of Section 7A of the <i>Motor Car Act 1958</i> as inserted therein by the <i>Roads (Special Projects) Act 1965</i> . (Further details of this Fund are given at page 35)	..	12,176	12,176
Rutherglen Research Station Fire Insurance Fund	Established to receive the proceeds of a claim against the Government Fire Insurance Pool. It is intended to use these moneys to finance the replacement of a bridge and fencing destroyed by fire at the Station in March, 1964	..	634	634
State Grants (Science Labora- tories and Technical Train- ing) Trust Account, 1964	To account for grants received from the Commonwealth in terms of the Commonwealth's <i>States Grants (Science Laboratories and Technical Training) Act 1964</i> . (Further details of this Account are given at pages 42 and 66)	1,240,881	2,812,500	1,571,619
Tender Board Suspense Account	To record the lodgement of existing and future cash deposits from contractors to the Tender Board and the disposal of such lodgements after the satisfactory conclusion of the relevant contracts	796	17,980	17,184
Victorian Bush Fire Relief Account (1965)	To account for funds provided by the State and Commonwealth Governments for the relief of victims of bush fires which occurred in Victoria in 1965	29,898	30,328	430
Water Supply Recreational Areas Trust Account	To record the moneys collected by the State Rivers and Water Supply Commission by way of fees, rents, &c., in respect of any recreation area under the control of the Commission. Such moneys are to be available for the purposes specified in Section 206A of the <i>Water Act 1958</i>	..	..	..
Water Supply Research Trust Account	To account for appropriations from Consolidated Revenue equivalent to the respective amounts of revenue received by way of royalties arising from a patent design registered by the State Rivers and Water Supply Commission for the purpose of financing research into water conservation on farms	108	148	40

By direction of the Treasurer under the authority of Sub-section (4) of Section 8 of the *Public Account Act 1958*, the Victorian Floods Relief Account was closed as at 30th June, 1965.

This Account was established in 1956-57. Funds were provided by both the Commonwealth and the State. The State's contribution was made from Consolidated Revenue. The Commonwealth's equity in the balance of the fund was repaid in 1962-63. Thus the balance, £339 10s. 9d. was the property of the State and, accordingly, was repaid to Consolidated Revenue.

For convenience in explaining the funds and accounts within the Trust Fund, the relevant figures for 1964-65 are set out under broad classifications in the table below:—

	Balance Forward. General Account. <i>Investments.</i>	1964-65.		Balance 30th June, 1965. General Account. <i>Investments.</i>
		Debits.	Credits.	
	£	£	£	£
Compensation and Insurance	14,155,531	17,905,121	17,044,111	13,294,521
	2,789,384	..	2,117,100	4,906,484
Superannuation and Pension	1,104,329	4,797,074	4,116,983	424,238
	12,145,554	1,664,542	127,000	10,608,012
Depreciation	1,299,866	1,784,320	1,303,344	818,890
	932,650	50	..	932,600
Deposit	449,370	218,470	248,602	479,502
	210,176	55	..	210,121
Railways.. ..	3,850,390	58,826,360	58,310,268	3,334,298
Commonwealth	2,426,223	44,822,467	46,333,920	3,937,676
Commonwealth-State	323,177	231,750	226,439	317,866
Other—Regulated by Statute	7,408,623	74,324,900	74,024,382	7,108,105
	358,570	21,080	7,750	345,240
Other—Not Regulated by Statute	775,014	4,443,126	4,452,075	783,963
	30,059	225	311,310	341,144
	31,792,523	207,353,588	206,060,124	30,499,059
	16,466,393	1,685,952	2,563,160	17,343,601
Securities Lodged with Treasurer	7,576,285	18,438	40,200	7,598,047
	31,792,523	207,353,588	206,060,124	30,499,059
	24,042,678	1,704,390	2,603,360	24,941,648
	55,835,201	209,057,978	208,663,484	55,440,707

Compensation and Insurance.

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

Fund or Account.	Page Reference No.
Closer Settlement Insurance Fund	62
Railway Accident and Fire Insurance Fund	73
State Accident Insurance Fund	102
State Motor Car Insurance Fund	104

Other principal items in the group are commented upon below:—

Government Buildings Fire Insurance Fund.—Provision for the cost of restoring buildings destroyed or damaged by fire is made under two schemes, viz., the Government Buildings Fire Insurance Fund, and the Government Buildings Fire Insurance Pool. These schemes do not apply to properties owned by the Railways Commissioners for which separate provision is made under the Railway Accident and Fire Insurance Fund.

The Government Buildings Fire Insurance Fund was set up under the Special Funds Act, No. 2297 of 1910, by the transfer of £15,000 from the Assurance Fund. That Act provides also for a yearly charge against revenue of £2,000, and for the crediting of the Fund with the interest on the balance of the Fund in excess of £15,000. In 1942–43, it was deemed necessary to increase the Fund to £100,000 and, in recent years, additional contributions totalling £647,000 have been provided from Consolidated Revenue.

The following statement shows expenditure from the Fund and the balances at credit thereof from 1960–61 to 1964–65:—

Year.	Expenditure.	Balance at 30th June.		
		Investments.	Cash.	Total.
	£	£	£	£
1960–61.. .. .	78,773	35,000	453,215	488,215
1961–62.. .. .	69,756	35,000	387,208	422,208
1962–63.. .. .	49,159	35,000	341,800	376,800
1963–64.. .. .	14,598	35,000	330,951	365,951
1964–65.. .. .	19,005	35,000	315,696	350,696

In terms of the Act establishing the Fund, the present cash balance in excess of £15,000 should be invested. Application of the Fund is restricted to buildings, no provision being made in regard to stores, equipment or the contents of buildings. As stated in previous reports, a revision of the 1910 Act is desirable.

Estate Agents Guarantee Fund.—Under the provisions of the *Estate Agents Act* 1958, this Fund is available to meet claims for losses incurred due to 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 the employee or sub-agent of such licence holder.

Funds are provided from fees charged for estate agents' and sub-agents' licences and the legislation requires the payment to Consolidated Revenue of any balance in excess of £25,000 at credit of the Fund at the close of the financial year.

Receipts for the year, including £6,472 recouped from certain estate agents, totalled £51,792 and claims paid amounted to £26,030. The surplus of £25,762 on the year's operations was transferred to Consolidated Revenue leaving the statutory maximum in the Fund, namely, £25,000.

Motor Car (Hospital Payments) Fund.—The revenue of this Fund is derived from an amount of 1s. 9d. deducted from each premium paid under the third party insurance provisions of the *Motor Car Act 1958*. An annual distribution is made to public hospitals in respect of motor accident cases where costs of treatment exceed the amounts received on behalf of the patients concerned.

Receipts and payments from the Fund since its inception are:—

Year.	Receipts.	Payments.	Balance.
	£	£	£
1940-58	662,089	584,007	78,082
1958-59	68,279	78,050	68,311
1959-60	75,449	68,279	75,481
1960-61	77,984	75,448	78,017
1961-62	81,086	77,984	81,119
1962-63	85,569	81,085	85,603
1963-64	91,435	85,569	91,469
1964-65	98,067	91,469	96,067

Superannuation and Pension.

The major funds included in this group are the Police Superannuation Fund, Police Pensions Fund, Parliamentary Contributory Retirement Fund, Parliamentary Superannuation Fund and the Port Phillip Pilot Sick and Superannuation Fund. The Superannuation Fund and the Married Women Teachers' Pensions Fund do not form part of the Public Account and reference to these latter funds will be found in the supplementary report on the accounts of certain statutory bodies which I am required by law to audit.

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

Contributions by the State and all penalties and damages awarded to members of the Force are credited to the Fund, together with a statutory annual contribution of £23,000 from the Licensing Fund. The State's contribution is fixed at £2,000 annually, plus any further amount directed by Parliament to be applied to the liquidation of pensions authorized. No additional contribution was provided in 1964-65. Penalties and damages awarded amounted to £48,669, the sum of £560 was received from fines imposed upon members of the Force, and interest on the sum invested amounted to £16,275.

Pension payments from the Fund totalled £14,139 which was £4,075 less than the figure for the previous year.

There is a continuing diminution in the annual commitments of the Fund, and, as a result, the balance at credit of the Fund is progressively increasing. For this reason, consideration might be given to the necessity for legislative action to have part of the receipts of this Fund diverted to some other fund.

The unexpended balance of the Fund at 30th June, 1965, was £629,551, including investments, £306,125—(Face value, £310,000).

Police Pensions Fund.—This Fund, into which were paid the State's contributions, interest on investments and the appropriate deductions from pay of members of the Police Force was, until 1st February, 1964, the sole statutory fund out of which pensions or gratuities were payable to members of the Force appointed after 25th November, 1902.

The *Superannuation Act 1963* entitled members of the Force, with some exceptions and under certain conditions, to elect to become officers under the *Superannuation Act 1958* and thereby participate in the State's superannuation scheme administered by the State Superannuation Board. The Act further provided that—

- (i) in respect of certain of these "electing" members of the Force there were to be transferred from the Police Pensions Fund to the State Superannuation Fund such moneys and securities (if any) as were certified by the Government Statist to be appropriate in the circumstances;

- (ii) if an actuarial investigation disclosed that the assets of the Fund exceeded the amount necessary to meet all of its current and future liabilities, then such excess was to be certified by the Government Statist and transferred to a "Surplus Revenue Account" within the Fund; and
- (iii) moneys standing to the credit of such Surplus Revenue Account were to be paid to Consolidated Revenue as the Treasurer determined.

The Government Statist and Actuary has duly made an actuarial investigation of the Fund in accordance with the provisions of the Act. As yet, no transfer of moneys and securities has been made to the State Superannuation Fund. However, on the basis of the actuarial certification, the sum of £1,568,970 was transferred to the Surplus Revenue Account within the Police Pensions Fund. Subsequently, as determined by the Treasurer pursuant to the relevant provisions of the Act, this sum was paid to Consolidated Revenue as at the close of the year.

The comparative summary for the past three years of the Police Pensions Fund, furnished below, indicates the effect which the amending legislation outlined above has had on the receipts and disbursements of the Fund.

—	1962-63.	1963-64.	1964-65.
<i>Receipts.</i>	£	£	£
Deductions from pay	238,469	229,262	26,776
Deductions repaid by ex-officers on reinstatement	343	..	..
Contributions from Consolidated Revenue	65,000	50,000	50,000
Interest on Investments	559,075	576,839	555,427
Surplus on disposal of investments .. .. .	..	31,453	..
Surplus Revenue Account—Transfer from General Fund .. .. .	..	..	1,568,970
Balance in hand—1st July	11,879,400	12,001,183	11,999,794
	12,742,287	12,888,737	14,200,967
<i>Disbursements.</i>			
Pensions	697,528	734,267	728,621
Gratuities	24,847	22,850	22,646
Deductions refunded—on resignation	18,729	20,634	5,125
Deductions refunded—on Transfer to the State Superannuation Scheme .. .. .	..	111,192	665,674
Transfer to Surplus Revenue Account .. .. .	..	..	1,568,970
Surplus Revenue Account—Transfer to Consolidated Revenue—Act No. 6338, Sec. 55 (5A) .. .. .	..	..	1,568,970
	741,104	888,943	4,560,006
Balance, 30th June,	12,001,183	11,999,794	9,640,961
Represented by:—			
Investments	*11,957,445	*11,238,245	*9,636,745
Cash	43,738	761,549	4,216
	12,001,183	11,999,794	9,640,961

* Face value of Investments (1962-63, £11,961,850; 1963-64, £11,242,650; 1964-65, £9,641,150.

At 30th June, 1965, the investments of the Fund comprised Commonwealth Government Inscribed Stock, £6,934,250, and securities of the Melbourne and Metropolitan Board of Works, £900,000, Melbourne and Metropolitan Tramways Board, £155,000, State Electricity Commission, £1,201,900, Gas and Fuel Corporation, £405,000, and the Melbourne Harbor Trust, £45,000.

Parliamentary Contributory Retirement Fund.—The *Constitution Act Amendment Act* 1958, as amended, limits payment of benefits from this Fund to persons who, before 6th January, 1963, ceased to be members of the Parliament of Victoria, or to the widows or personal representatives of deceased members or ex-members who were in receipt of a pension.

Funds required to meet benefits payable are specially provided for the purpose from Consolidated Revenue. The amount so provided in 1964–65 was £53,822.

Parliamentary Superannuation Fund.—This fund was established pursuant to the provisions of the *Parliamentary Contributory Superannuation Act* 1962, as amended by the *Parliamentary Salaries, Pensions and Superannuation Act* 1964. In terms of the Act, members are required to contribute to the Fund by way of deduction from salary and, to the extent necessary, Consolidated Revenue may be applied for the purpose of meeting the benefits under the Act. These benefits are payable to persons who, after 6th January, 1963 ceased to be members of the Parliament of Victoria or to the widows or personal representatives of deceased members or ex-members who were receiving benefits at the time of death. The amending Act—the *Parliamentary Salaries, Pensions and Superannuation Act* 1964—provides for a higher rate of deduction from salary and for increased benefits and applies in relation to persons who were members at 6th December, 1964, or who became members subsequent to that date.

Transactions during 1964-65 in respect of this Fund were :—

	£	£
Balance 1st July, 1964		152,038
Receipts—		
Members' Contributions	28,680	
Interest on Investments	6,714	
	35,394	
		187,432
Payments—		
Pensions	15,785	
Retiring Allowances	2,200	
	17,985	
Balance 30th June, 1965		169,447
Represented by—		
Investments (Face Value £153,090)		152,996
Cash		16,451
		169,447

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, before the division of the Pilots' Salary Fund is made, there is payable to the Port Phillip Pilot Sick and Superannuation Fund 6 per cent. of the amount at credit of the said Salary Fund. The Governor in Council is empowered to increase or decrease this percentage by not more than 2 per cent. Provision is made for moneys in the Fund to be invested.

The following summary sets out the transactions in the Fund during 1964–65 :—

	£	£	£
Balance 1st July, 1964—			
Investments	460,814		
General Account	11,761		
	472,575		
Receipts—			
Deductions from Earnings		30,382	
Interest on Investments		24,542	
		527,499	
Payments—			
Pensions			22,275
Balance 30th June, 1965—			
Investments		503,772	
General Account		1,452	
		505,224	
			527,499

Investments comprise inscribed stock of the Commonwealth Government, £93,550, the State Electricity Commission, £263,250, the Melbourne and Metropolitan Board of Works, £38,300, the Melbourne Harbor Trust, £20,000, the Grain Elevators Board, £20,000, and a Registered First Mortgage over the Pilot Vessel "Akuna", £68,672.

Depreciation.

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

Fund.	Page Reference No.
Forests Plant and Machinery Fund	53
Printing Machinery Depreciation Fund	56
Public Works Plant and Machinery Fund	67
Railway Renewals and Replacements Fund	71
Water Supply Plant and Machinery Depreciation Fund	80
Water Supply Works Depreciation Fund	80
Irrigation Districts Maintenance Equalization and Renewals Account	79

The Maffra Sugar Factory Depreciation Fund, with a balance of £4,600, consisting entirely of investments, is also included in this group. The purpose for which this Fund was established ceased to exist many years ago and moneys at credit of the Fund are being progressively transferred to Consolidated Revenue in accordance with a direction of the Treasurer.

During the year, an amount of £213, consisting of interest on investments, £163, and the proceeds of an investment realized, £50, was so transferred.

Deposit.

Items under this heading comprise securities lodged by Insurance and Trustee Companies, £70,000; Contractors and Timber Cutters deposits, £197,680; Municipalities Loan Repayment Account, £387,768, which includes investments totalling £140,121; Sundry Investments—Interest Account, £33,543, and State Coal Mines Deposit Account, £632.

Railways.

The following major items in this group are discussed at the pages shown :—

	Page Reference No.
Railway Charges in Suspense Account	72
Railway Stores Suspense Account	72
Railway Equalization Account	69

Commonwealth.

The Treasurer is empowered by Act No. 6345 to credit suitable accounts in the Trust Fund with special grants made pursuant to any Commonwealth Act and to authorize expenditure therefrom for the purposes prescribed in such Commonwealth Act.

Certain accounts record the receipt of moneys from the Commonwealth for specific purposes and their transmission to particular public bodies for disbursement. The major accounts in this category and the references to the public bodies concerned are listed below:—

Account.	Public Body.	Page Reference Number, &c.
University (Commonwealth Subsidy) Account ..	University of Melbourne	46
La Trobe University (Commonwealth Subsidy) Account	La Trobe University ..	49
Monash University (Commonwealth Subsidy) Account	Monash University ..	48
Commonwealth-State Housing Trust Account ..	Housing Commission ..	See Supplementary Report

The following funds are discussed under the departments and public authorities associated with their administration.

Fund.	Page Reference No.
Commonwealth Aid Roads Nos. 1 and 3 Accounts	107
" " " No. 2 Account	68
Commonwealth—State Grants (Mental Institutions) Trust Fund ..	60
Rural Rehabilitation Fund—See under Rural Finance and Settlement Commission in Supplementary Report.	—
State Grants (Science Laboratories and Technical Training) Trust Account 1964.	42, 66

Other funds in this group are:—

Commonwealth Pharmaceutical Benefits Trust Account.—Under the provisions of the National Health Act, the Commonwealth Government makes advances from time to time for the reimbursement to public hospitals and the Mental Hygiene Authority of the cost of pharmaceutical benefits supplied. The basis of reimbursement under the Act is determined by the Commonwealth Minister of Health.

The following statement sets out the transactions of the Account during the years 1963-64 and 1964-65:—

	1963-64.	1964-65.
	£	£
Balance 1st July	190	96,171
Received from Commonwealth during the year	2,150,000	2,198,462
	2,150,190	2,294,633
Reimbursements to Public Hospitals, &c.	2,054,019	2,183,766
Balance 30th June	96,171	110,867

Home Builders' Account.—Pursuant to the terms of the Commonwealth and State Housing Agreement 1956 as amended by the Housing Agreement 1961, part of the moneys provided by the Commonwealth to the State for housing is credited to a special account in the Public Account called the "Home Builders' Account". The funds in this Account are administered by the Registry of Co-operative Housing Societies and, as required, advances are made to the Registry from the Account.

The total advances to the Account by the Commonwealth from the commencement of the operation of the Agreement to 30th June, 1965, amounted to £29,238,100. During the period, the Commonwealth has varied its interest charge on its advances for the purpose of the scheme. In 1964–65, the interest rates operating were—to 12th August, 1964, $3\frac{5}{8}$ per cent.; from 13th August, 1964, to 24th June, 1965, 4 per cent.; and from 25th June, 1965, $4\frac{1}{4}$ per cent.

Repayments by the co-operative housing societies provide additional funds for the Home Builders' Account and form a "revolving fund" within the Account. To 30th June, 1965, these repayments amounted to £11,570,029.

From time to time, advances are made from Public Account under the authority of the *Public Account Act* 1958, pending receipt of funds from the Commonwealth. All advances from the Public Account under this Act were repaid in the year. The Home Builders' Account is charged interest on these advances at the rate allowed by the contracting banks on the Public Account. In calculating this interest, no allowance has been made for credits in the Public Account arising from repayments by the co-operative housing societies.

The moneys in the Home Builders' Account, other than those required for payment of principal and interest to the Commonwealth and the State, are available for the financing of home building by means of loans to building societies (including co-operative housing societies) and other institutions as may be approved, at the request of the State, by the responsible Commonwealth Minister. The total of the advances to the 30th June, 1965, was £35,672,995. All of this sum was made available to co-operative housing societies—£30,622,641 at an interest rate of $4\frac{1}{4}$ per cent. and, £5,050,354 at an interest rate of $4\frac{3}{8}$ per cent.

Interest charged to the societies for the year exceeded interest paid from the Home Builders' Account to the Commonwealth and the State by £105,852. The accumulated interest surplus to 30th June, 1965, was £397,434.

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

<i>Source of Funds—</i>	£
Balance 1st July, 1964	126,149
Advanced by Commonwealth Government	4,050,000
Interest and Repayments of Principal	2,889,080
Total Funds Available	7,065,229
 <i>Disbursement of Funds—</i>	
Advances to Registry from Home Builders' Account	5,850,000
Interest and Redemption—Commonwealth Advances	1,213,771
Interest on Advances from Public Account	484
Total Disbursements	7,064,255
Balance 30th June, 1965	974
	7,065,229

Commonwealth—State.

The principal item under this classification is the Commonwealth—State Local Public Works Account with a balance of £309,851. From 1st July, 1935, to 30th June, 1945, a total of £548,000 was provided by the Commonwealth and State Governments, on a £1 for £1 basis, for the relief of unemployment in Victoria by the recoup to public authorities of interest payments and sinking fund charges on loans raised for public works commenced after 1st July, 1935. Expenditure for these purposes to 30th June, 1948, totalled £238,149. Since that date, there have been no further transactions on the Fund and as stated in my previous report, there would appear to be no necessity for its retention.

Another account—the Commonwealth—State Sirex Trust Account—which has been classified under this head is discussed under "Forests" at page 51.

Other—Regulated by Statute.

The balances of funds under this heading aggregated £7,453,345. Transactions are governed by the relevant legislation.

For references to the undermentioned funds in this group, see the pages shown :—

Fund.	Page Reference No.
Country Roads Board Fund	106
Dried Fruits Fund	117
Forestry Fund	50
Forests Roads Account	52
Forest Stores Suspense Account	52
Licensing Fund	21
Public Works Stores Suspense Account	67
Roads (Special Projects) Fund	35
Tourist Fund	114
Transport Regulation Fund	116
Water Supply Stores Suspense Account	79
Workers Compensation Board Fund	118

Comments on several other funds classified as above are furnished hereunder :—

Aborigines Welfare Fund—The *Aborigines Act* 1958 authorizes the Aborigines Board, with the consent of the Minister, to apportion, distribute and apply moneys appropriated by Parliament and any other funds or property under its control for the relief or benefit of aborigines or for the purpose of assisting aborigines to become assimilated into the general life of the community.

Transactions during 1964–65 in relation to this Fund were :—

	£	£
Balance, 1st July, 1964 .. .. .	..	40,689
Receipts—		
Loan Fund Contribution	70,000	
Revenue Contribution	65,000	
Revenue from Operations (Canteen and Produce Sales, &c.)	5,461	
Timber Royalties	387	
Donations	1,308	
Maintenance Payments	1,464	
Rent	3,329	
Collections, Electricity costs	298	
Recoup, Part Fencing costs	499	
Miscellaneous	582	
	—————	148,328
		189,017
Payments—		
Assistance to Aborigines	107,699	
Administration, &c. Costs	33,397	
	—————	141,096
Balance, 30th June, 1965 .. .. .	..	47,921
		—————
		189,017

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

In addition to an annual statutory contribution of £25,000 from revenue and any other sums appropriated by Parliament for the purpose, all fees and charges received by the Council in connexion with its activities are paid into the Fund.

The following statement summarizes the Council's financial operations for the past two years :—

	1963-64.	1964-65.
	£	£
<i>Source of Funds—</i>		
Balance from previous year	1,641	32
Government Contributions :—		
Special Appropriation—Act No. 6240.	25,000	25,000
Departmental Vote—Education*	60,572	60,889
Fees and proceeds :—		
Classes, Lectures and Discussion Groups	35,656	41,622
Schools and Conferences	9,126	7,053
Community Arts Service	15,669	747
Productions, &c. Russell St. Centre	1,021	..
Miscellaneous	961	746
	149,646	136,089
<i>Disbursement of Funds—</i>		
Administration—Salaries	43,371	45,706
Administration—General Expenses	27,861	30,047
	71,232	75,753
Classes, Lectures and Discussion Groups	36,108	41,387
Schools and Conferences	8,415	6,812
Community Arts Service	20,876	2,726
Russell Street Centre :—		
Maintenance and operating costs	9,698	6,615
Equipment and improvements	522	645
Miscellaneous—Art Exhibitions &c.	2,763	2,123
	149,614	136,061
<i>Leaving a balance of</i>	32	28
	149,646	136,089

* Includes an amount equivalent to rentals received into Consolidated Revenue in respect of Russell St. premises, 1963-64, £6,572 ; 1964-65, £5,539.

The decrease in receipts and payments in respect of "Community Arts Service" is the result of a substantial reduction in this activity. The main service now being provided in this field by the Council is a "Drama Tutorial Service".

Hospitals and Charities Fund.—This Fund is under the control of the Hospitals and Charities Commission. Among other duties the Commission is required to supervise the administration and management of subsidized institutions and benevolent societies.

The Hospitals and Charities Act prescribes the procedure to be followed in regard to the determination of grants to be made to institutions and societies from the Hospitals and Charities Fund.

Subject to administrative and other costs, a total of £16,702,456 was available in the Hospitals and Charities Fund for distribution. This amount was provided by :—

	£
Special Appropriation, Act No. 6274	800,000
Special Appropriation, Act No. 6353—Totalizator Receipts	3,338,780
Special Appropriation, Act No. 6390—Tattersall Receipts	3,213,608
Grants—Division 73	9,160,000
	16,512,388
Balance forward from 1963-64	190,068
	16,702,456
Expenditure for the year	16,700,000
Leaving a balance of	2,456

A summary of payments from the Fund is given below :—

	1962-63.	1963-64.	1964-65.
	£	£	£
Maintenance—			
Hospitals	12,937,796	13,522,320	14,499,222
Benevolent Homes & Hospitals for the Aged ..	937,503	801,579	934,988
Children's Homes	167,035	166,047	168,947
Foundling Homes and Refuges	96,792	89,993	89,918
Philanthropic Associations	60,071	60,833	70,176
Ladies' Benevolent Societies	5,500	5,500	5,795
Medical Dispensaries	24,381	21,318	20,581
Ambulance Services	237,058	267,597	294,862
Hostels for the Aged	43,738	46,030	52,001
Other Institutions	142,245	142,088	163,367
Public Risk Insurance	26,235	23,868	24,027
	<u>14,678,354</u>	<u>15,147,173</u>	<u>16,323,884</u>
<i>Less</i> refund from Commonwealth Blood Transfusion Service	55,846	60,735	64,306
	<u>14,622,508</u>	<u>15,086,438</u>	<u>16,259,578</u>
Other—			
Transfer of Patients to Country Hospitals ..	6	..	3
Costs Associated with Totalizator Receipts ..	10,183	14,312	14,187
Training of Officers	13,905	13,587	9,780
Recruitment and Training of Nurses	30,351	31,961	37,027
Preliminary Schools for Nurses	117,353	129,063	135,745
Post-graduate Training of Nurses	13,786	16,496	15,704
Administration Costs	190,733	206,623	223,589
Hospital Magazine	1,168	1,520	4,387
	<u>14,999,993</u>	<u>15,500,000</u>	<u>16,700,000</u>

The increase in "Administration Costs" was largely the result of the engagement by the Commission of additional staff.

In addition to the assistance provided to hospitals and other institutions shown in the table, payments have been made to many of these bodies under the Public Works Loan Application Acts for or towards the erection of public hospitals, the purchase of land and buildings, and other items. The amount expended from this source during the year under review was £5,710,993. Details of payments to individual hospitals, &c., are shown in the Treasurer's Finance Statement, pages 161 to 163.

Kings Bridge Restoration.—The reasons for the establishment of the Kings Bridge Restoration Trust Account and the initial credit and debit thereto are given at page 89 of my report for the year ended 30th June, 1964. Relevant details of the Account for the year 1964-65 are furnished below :—

	£	£
1st July, 1964 Balance forward	166,261	
1964-65 Amount received by way of an <i>ex gratia</i> payment in settlement of insurance claim	25,000	
	<u>191,261</u>	
Total Credit		191,261
1964-65 Payment to Melbourne and Metropolitan Board of Works— Part recoup of cost of work during the year on the repair and restoration of Bridge		<u>191,261</u>

Also in respect of the repair and restoration of the Bridge, further recoups, amounting in all to £389,645, were made during the year to the Melbourne and Metropolitan Board of Works. These additional payments to the Board were provided from the State's Loan Fund.

Up to and inclusive of 30th June, 1965, the total sum paid by the State to the Melbourne and Metropolitan Board of Works on account of the repair and restoration of the Bridge was £741,519.

Level Crossings Fund.—Under the *Country Roads Act* 1958, the Fund is credited with one-third of the moneys received by way of additional registration fees under Section 8 of the *Motor Car Act* 1958, and moneys provided for the purpose under any other Act. These moneys are available for the purposes of the elimination of level crossings and for associated works.

Transactions on the Fund for the past two years are summarized hereunder :—

	1963-64.		1964-65.	
	£	£	£	£
Balance 1st July	89,208		198,908	
Receipts—				
Additional Registration Fees	424,456		380,852	
		513,664		579,760
Expenditure—				
By Railway Department	253,632		155,623	
By Country Roads Board	61,124		57,151	
		314,756		212,774
Balance 30th June		198,908		366,986

Mallee Land Account.—As already stated herein, the Treasurer is empowered by the Financial Agreement Act No. 3554 to use Mallee Land Account receipts to assist contributions from Revenue to the National Debt Sinking Fund. In 1964-65, the Treasurer used for this purpose an amount of £298,085, and at the close of the year, the balance at credit of the Account was £782,273.

Mental Hospitals Fund.—The *Tattersall Consultations Act* 1958 provides, in respect of each financial year, for the payment from Consolidated Revenue into the Hospitals and Charities Fund and the Mental Hospitals Fund, in such proportions as the Treasurer determines, of an amount equivalent to the duty paid by the promoter. During 1964-65, duty paid amounted to £3,358,608. The sum of £145,000 was allocated to the Mental Hospitals Fund and the balance to the Hospitals and Charities Fund.

The Mental Hospitals Fund may be applied as the Treasurer determines towards the establishment and maintenance of mental hospitals, private mental homes, and other institutions within the meaning of the Mental Health Act. The Fund is also available for expenditure in connexion with the administration of this Act.

The following statement sets out the transactions for the year and the gross amounts from the inception of the Fund until the 30th June, 1965 :—

<i>Receipts.</i>	<i>During the Year.</i>	<i>Total.</i>
	£	£
Balance 1st July, 1964	29,566	..
Special Appropriations - <i>Tattersall Consultations Act 1958</i>	145,000	3,489,673
	174,566	3,489,673
<i>Payments.</i>	<i>During the Year.</i>	<i>Total.</i>
	£	£
Capital Works .. .. .	..	311,000
Maintenance Works .. .. .	..	150,000
General Expenditure (State Institutions) .. .. .	..	1,680,108
Maintenance Grants (Other Institutions)	146,687	948,603
Mental Health Research (University of Melbourne)	7,000	67,000
Capital Grants (Other Institutions) .. .. .	..	312,083
	153,687	3,468,794
Balance 30th June, 1965	20,879	20,879

Milk Board.—The Board's operations in 1964-65 resulted in a revenue surplus of £33,855 an increase of £5,274 on the comparable figure for 1963-64.

A summarized statement of the Board's operations for the year together with comparative figures for the previous year is set out hereunder. The figures shown are subject to audit.

1963-64.	<i>Revenue.</i>						1964-65.	
£						£	£	
162,916	Milk Trading Revenue	..	..	..	..	171,467	
14,266	Milk Shop Licence Fees	..	..	..	..	14,221	
1,096	Milk Shop Licence Transfer Fees	..	..	..	..	1,046	
178,278							186,734	
	<i>Expenditure.</i>							
51,890	Salaries	..	..	..	..	55,746	
1,023	Pay-roll Tax	..	..	..	..	1,202	
905	Rental of Premises	..	..	..	..	951	
5,332	Travelling Expenses	..	..	..	..	6,069	
8,650	General Expenses	..	..	..	..	5,992	
75,228	Publicity Account—Appropriation	..	..	..	..	76,106	
2,500	Improving Quality of Milk—Paid to Department of Agriculture	..	..	..	..	2,500	
1,965	Building Maintenance	..	..	..	..	2,366	
817	Interest	..	..	..	..	1,100	
1,378	Depreciation	..	..	..	..	847	
149,697							152,879	
28,581	Surplus for the Year	..	..	..	..		33,855

The item—Publicity Account—Appropriation, £76,106—is the provision from revenue to meet publicity costs incurred in promoting the consumption of milk. This appropriation, together with the sum of £8,198 contributed by milk depots and carriers, was credited to the Publicity Account. Expenditure for publicity purposes charged to the Account in the year amounted to £75,131.

At 30th June, 1965, the accumulated balance of the Publicity Account, £19,262, was represented by fixed assets and stock for publicity purposes, £12,055, sundry debtors, £694, and cash at credit of the Milk Board Fund, £6,513.

The Board's balances as at 30th June, 1964, and 30th June, 1965, were:—

30·6·64		30·6·65
£		£ £
1,172,761	Sundry Creditors—Trade	1,238,910
16,651	Sundry Creditors—Other	5,348
4,323	Milk Shop Licences Paid in Advance (Net)	5,748
<hr/>		<hr/>
1,193,735		1,250,006
	Accumulated Funds—	
	Accumulation Fund—	
455,211	Balance Brought Forward	483,792
28,581	Revenue Surplus for the year	33,855
<hr/>		<hr/>
483,792		517,647
10,089	Publicity Account	19,262
<hr/>		<hr/>
493,881		536,909
<hr/>		<hr/>
1,687,616		1,786,915
<hr/>		<hr/>
406,460	Milk Board Fund—Balance at Treasury	405,348
1,184,550	Sundry Debtors—Trade	1,252,230
791	Sundry Debtors—Publicity Account	694
		<hr/>
		1,252,924
4,359	Office Equipment and Furniture less Depreciation	4,082
2,795	Motor Vehicles less Depreciation	3,236
74,520	Land and Buildings at cost	109,270
	Publicity Account—	
	Fixed Assets less Depreciation—	
2,962	Pasteurization and Homogenizing Plant	3,884
4,254	Publishing Plant	3,768
4,217	Mobile Milk Promotion Units	3,362
..	Film Projector	441
		<hr/>
		11,455
2,708	Publishing Stocks on Hand	600
<hr/>		<hr/>
1,687,616		12,055
<hr/>		<hr/>
		1,786,915

Trade debtors and creditors, for the most part, resulted from trading operations for the month of June, 1965.

Municipalities Assistance Fund.—Reference has already been made on page 63 under the Local Government section of this report to subsidies to municipalities and other public bodies, from loan moneys, amounting to £526,094. Funds are also applied towards the assistance of municipalities through the Municipalities Assistance Fund.

The authority for this Fund is to be found in the *Local Government Act 1958*. The Fund has two functions—to provide subsidies towards the cost of approved works of municipalities and other public bodies, and to relieve certain municipalities of their former obligation to contribute towards the operating costs of the Country Fire Authority and to the Casual Fire Fighters Compensation Fund, whenever at 30th April in any year the balance of such compensation fund, less commitments, falls below £1,000.

Up to and inclusive of 31st December, 1964, one-half of the fees paid for licences to motor car drivers and motor driving instructors, less the costs of collection, provided the normal funds required to carry out the purposes of the Act. At that stage, the triennial driver's licence fee was One pound ten shillings but, in accordance with an amendment of the *Motor Car Act 1958* by the *Motor Car (Fines and Drivers' Licence Fees) Act 1964*, this fee was increased, as from 1st January, 1965, to Three pounds. Further, the *Local Government Act 1958* was varied to provide that, instead of half the amount of all motor car drivers' licences, less costs of collection, being paid to the Fund, one-quarter of such amount was to be paid thereto. In so far as the motor driving instructors' licence fees were concerned, the proportion payable into the Fund remained at one-half. It will be appreciated that these changes, in effect, do not alter the Fund's share of the annual amount available from both of the fees mentioned. However, there was a reduction of £11,637 in the charge to the Fund on account of its share of the costs of collection of the fees for the reason that, as Consolidated Revenue is receiving the whole of the proceeds of the increase in the motor drivers' licence fees as from 1st January, 1965, it is bearing, as from that date, its share of the costs of collection of those fees.

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

A summary of operations in the Fund is:—

	1963-64.		1964-65.	
	£	£	£	£
Balance 1st July .. .. .	..	300,969	..	282,802
Contribution—Loan Fund .. .. .	..	200,000	..	200,000
Receipts from fees—Motor Car Drivers' and Instructors' Licences..	297,541		301,561	
Less Costs of Collection	52,557		40,920	
		<u>244,984</u>		<u>260,641</u>
		745,953		743,443
		<u>745,953</u>		<u>743,443</u>
 Expenditure—				
Amount contributed to Country Fire Authority		261,221		284,089
Amount contributed to Casual Fire Fighters Compensation Fund		1,236		966
Subsidies to various Municipalities for works		200,694		185,973
		<u>463,151</u>		<u>471,028</u>
Balance, 30th June		282,802		272,415
		<u>745,953</u>		<u>743,443</u>

National Parks Fund.—Pursuant to the *National Parks Act 1958* the National Parks Authority controls certain areas proclaimed to be national parks.

Moneys appropriated by Parliament for the purposes of the Authority, together with gifts, bequests or other moneys received by the Authority are paid into the National Parks Fund and are available to meet costs incurred by the Authority in the exercise of its functions, and, to the extent approved by the Minister, costs of administration.

A summary of the operations of the National Parks Fund for the year ended 30th June, 1965, is given hereunder :—

	£	£
Balance, 1st July, 1964		1,650
Receipts—		
From Consolidated Revenue	27,650	
Loan Fund	84,859	
Repayment of Advances, other contributions, &c.	1,567	
	<hr/>	114,076
		<hr/>
		115,726
Payments—		
Grants to Committees of Management of National Parks and Advances for Works to the Public Works Department and Forests Commission, etc.	78,986	
Administration Costs	27,728	
	<hr/>	106,714
		<hr/>
Balance 30th June, 1965		9,012
		<hr/>

In addition to the balance of £9,012 at credit of the Fund, unexpended advances to the Public Works Department and the Forests Commission for works amounted to £20,614 as at 30th June, 1965.

Other—Not Regulated by Statute.

Decentralization Fund.—The major portion of the year's expenditure of £58,760 consisted of subsidies in respect of freight and electricity costs.

Credits to the Fund have been :—

	£
To 30th June, 1964	1,750,498
During the year—	
From Consolidated Revenue	50,000
	<hr/>
	1,800,498
	<hr/>

The Fund has been utilized as follows :—

	£
Expenditure to 30th June, 1964	1,635,486
During the year—	
Power and Light Subsidies	6,158
Freight Subsidies	47,166
Loans and Grants to Decentralized Industries	69
Removal of Plant, Machinery, Furniture, &c.	3,263
Bus Subsidies	710
Wireless Installation at Fishing Ports	760
Miscellaneous	634
	<hr/>
	1,694,246
The balance at 30th June, 1965, was	106,252
	<hr/>
	1,800,498
	<hr/>

Details of amounts advanced from the Decentralization Fund and still to be repaid at 30th June, 1965, are given hereunder :—

	Advanced to 30th June, 1965.	Repaid. &c.	Outstanding 30th June, 1965.	Arrears.	
				Interest.	Principal.
	£	£	£	£	£
Brickworks	20,549	3,786	16,763	5,450	11,530
Textile Industries	57,219	29,742	27,477	2,650	3,800
Foundries and Other Industries	102,682	41,249	61,433	8,349	29,747
	*180,450	74,777	105,673	16,449	45,077

* Includes interest capitalized, £1,832.

Concessions in regard to the repayment of loans and the payment of interest have been allowed in the majority of these cases.

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

Account.	Page Reference No.
Bennison Roading Trust Account	51
Country Roads Board Special Works Account	111
Municipalities Forests Roads Improvement Fund	112
State Rivers and Water Supply Commission Agency Trust Account	81
Tourist Bureaux Trust Account	115

Securities Lodged with Treasurer.

The major items included in this category relate to shares of the Gas and Fuel Corporation of Victoria purchased by the State under the provisions of the *Gas and Fuel Corporation Act* 1958, £7,496,394, and to a Geelong Harbor Trust debenture securing the outstanding balance of an advance, £96,489.

STATE ACCIDENT INSURANCE OFFICE.

Operations of this Office for the year resulted in a net profit of £655,572. This profit has yet to be appropriated, as at 30th June, 1965, in terms of Section 68 of the *Workers Compensation Act 1958*.

Comparative analyses of Income and Expenditure and relevant details of the Appropriation Account for the past five years are furnished below:—

INCOME AND EXPENDITURE.

	1960-61.	1961-62.	1962-63.	1963-64.	1964-65.
	£	£	£	£	£
Income—					
Premiums earned	2,762,531	2,759,501	3,004,557	3,089,171	3,307,922
Interest	146,141	174,107	194,337	215,557	241,973
Rents (Net)	1,663	2,528	18,977	21,165	16,438
Surplus—Sale of property .. .. .	..	432	..	57	3
	2,910,335	2,936,568	3,217,871	3,325,950	3,566,336
Expenditure—					
Claims	2,128,675	2,217,412	2,154,699	2,557,018	2,686,040
Management	147,019	144,936	150,931	167,883	167,548
Agents' Commission and Expenses	40,661	47,444	45,048	49,764	57,176
Loss—Sale of property	179	..	456	..	..
	2,316,534	2,409,792	2,351,134	2,774,665	2,910,764
Net profit	593,801	526,776	866,737	551,285	655,572
	%	%	%	%	%
Loss ratio to earned premium income ..	77·1	80·4	71·7	82·8	81·2

APPROPRIATION ACCOUNT.

	1960-61.	1961-62.	1962-63.	1963-64.	1964-65.
	£	£	£	£	£
Net Profit	593,801	526,776	866,737	551,285	655,572
Adjustment of provision for Unearned Premiums, previous years .. .. .	..	..	422,579	..	..
	593,801	526,776	1,289,316	551,285	655,572
Appropriations—					
Bonus Equalization Reserve	253,801	226,776	289,316	112,770	Yet to be Determined
General Reserve	340,000	300,000	1,000,000	188,515	
Consolidated Revenue .. .. .	..	..	..	250,000	
	593,801	526,776	1,289,316	551,285	655,572

Premiums are, in respect of policies issued to the Government and to semi-governmental bodies, treated in the accounts as fully earned irrespective of time of receipt. Other premiums due are apportioned between "earned", and "unearned" on a monthly "time" basis.

It should be noted that the distribution, as at 30th June, 1964, of the profit for the year 1963-64 was determined in accordance with the provisions of the said Section 68 of the *Workers Compensation Act 1958*, subsequent to the presentation of my previous report.

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

30.6.64.			30.6.65.
£		<i>Assets.</i>	£ £
		<i>Current—</i>	
6,195,808	Cash		6,638,503*
281,631	Sundry Debtors, <i>Less</i> Bad Debts Provision		267,956
			6,906,459
2,385,880	Inscribed Stock		2,385,880
		<i>Fixed—</i>	
61,466	Furniture, Office Machines, and Cars— <i>Less</i> Depreciation		57,673
116,514	Property (at cost)—Offices—412 Collins-street, Melbourne		116,514
244,288	Land etc—480-490 Collins-street, Melbourne		564,783
			681,297
9,285,587			10,031,309
		<i>Liabilities and Funds.</i>	
		<i>Current—</i>	
507,753	Unearned Premiums		589,975
4,755,600	Claims Outstanding		5,218,466
9,063	Sundry Creditors		32,364
250,000	Provision for Contribution to Consolidated Revenue .. .. .		..
			5,840,805
		<i>Deferred—</i>	
727,494	Bonus Equalization Reserve		497,632
20,677	Building Depreciation and Maintenance Provision		22,300
			519,932
		<i>Funds—</i>	
3,000,000	General Reserve		3,000,000
15,000	Building Improvement Reserve		15,000
..	Appropriation Account		655,572†
			3,670,572
9,285,587			10,031,309

* This sum is held in the State Accident Insurance Fund at the Treasury.

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

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

STATE MOTOR CAR INSURANCE OFFICE.

Over the period from its inception in 1941 to 30th June, 1965, this Office has incurred an accumulated loss of £844,470.

Operations for the year resulted in a loss of £421,364 compared with a profit of £165,171 in 1963-64. The statements herein are submitted subject to final determination of the amount to be provided for outstanding claims as at 30th June, 1965.

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

	1963-64.			1964-65.		
	Third-Party.	Comprehensive.	Total.	Third-Party.	Comprehensive.	Total.
	£	£	£	£	£	£
Net Premiums earned	2,531,931	1,048,243	3,580,174	2,815,062	1,275,481	4,090,543
Stamp Duty recouped .. ..	..	58,598	58,598	..	67,382	67,382
	2,531,931	1,106,841	3,638,772	2,815,062	1,342,863	4,157,925
Claims	2,391,542	864,965	3,256,507	3,245,776	1,085,330	4,331,106
Management	94,199	186,492	280,691	110,985	217,692	328,677
Licence Fee .. ..	..	51,777	51,777	..	60,306	60,306
	2,485,741	1,103,234	3,588,975	3,356,761	1,363,328	4,720,089
Operating Profit	46,190	3,607	49,797	..	..	..
Operating Loss .. ..	..	..	..	541,699	20,465	562,164
Interest—Fund at Treasury .. ..	..	..	115,340	..	..	140,776
Sale of Property .. ..	..	..	+ 34	..	..	+ 24
	..	..	115,374	..	..	140,800
Net Profit .. ..	..	..	165,171	..	..	..
Net Loss .. ..	..	..	..	..	..	421,364
Loss Ratio to earned premium income	% 94.5	% 82.5	..	% 115.3	% 85.1	..

The figures in my report for the previous year were published prior to the completion of audit. Subsequently, certain amendments were necessary and the accounts for 1963-64 were adjusted accordingly.

Earned premiums have been calculated on the "time" basis, using the monthly method of apportionment.

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

30.6.64	<i>Assets.</i>	30.6.65
£		£ £
	Current—	
5,898,570	Cash	4,459,631
473,575	Sundry Debtors—Premiums Due, &c.	428,569
<hr/>		<hr/>
6,372,145		4,888,200
	Investments—	
250,000	Government & Semi-Government Securities	2,363,100
	Fixed—	
26,998	Furniture and Office Machines <i>less</i> Depreciation	25,072
	Profit and Loss Account—	
423,105	Accumulated Loss	844,470
<hr/>		<hr/>
7,072,248		8,120,842
	<i>Liabilities and Provisions.</i>	
	Current—	
1,867,819	Unearned Premiums	2,064,417
5,184,365	Claims Outstanding	6,008,193
20,064	Sundry Creditors	48,232
<hr/>		<hr/>
7,072,248		8,120,842

The cash funds of the State Motor Car Insurance Office are required to be kept in an account at the State Treasury called the State Motor Car Insurance Fund. The moneys standing to the credit of this Fund may, pursuant to the *State Insurance Funds Act 1963* which was proclaimed to operate from 22nd April, 1964, be invested by the Treasurer in such securities as he thinks fit. At 30th June, 1964, an amount of £2,363,100 had been so invested.

With respect to the liability for outstanding claims, the estimated value of these claims is being calculated on the basis of a combination of “case” and “average” estimating and, to the sum so determined, there are being added amounts to provide for unknown and unforeseen liabilities.

COUNTRY ROADS BOARD.

The construction and maintenance of State highways, main roads, by-pass roads, forest roads, and tourist roads are carried out by or under the supervision of the Board. In addition, the Board provides a substantial sum each year to assist municipalities in meeting the cost of maintaining unclassified roads.

The main funds administered by the Board are discussed hereunder :—

Country Roads Board Fund.—The major revenue sources of the Fund in 1964–65 were :—

- (i) *Fees under the Motor Car Act.*—Receipts for the year under this Act amounted to £12,890,088 and the cost of collection was shown to be £1,200,941. The comparable figures in 1963–64 were, respectively, £12,551,881 and £838,505.

In comparing the figures for the two years, it should be noted that the provision in the Country Roads Act—whereby fines imposed under the Motor Car Act were required to be paid to the Country Roads Board Fund—was, as from 1st July, 1964, repealed by the *Motor Car (Fines and Drivers' Licence Fees) Act* 1964. Such repeal had the effect of diverting receipts from these fines to Consolidated Revenue. However, a further consequential effect of the amending legislation was the relief of the Board from its former liability to meet the cost of collection in respect of the fines referred to above.

By direction of the Treasurer, the total cost of the construction of a new Motor Registration Branch building at Carlton, estimated to be £1,382,114, and initially in course of being financed from Loan Fund is to be recouped from the Country Roads Board Fund by quarterly instalments over a period of five years, as a cost of collection of fees under the Motor Car Act. In 1964–65, the Loan Fund was recouped on this account to the extent of £276,420 and this charge was the main reason for the substantial increase in the cost of collection for the year.

- (ii) *Special Contribution from the Loan Fund.*—Item 58 of the *Public Works Loan Application Act* 1964, authorized, *inter alia*, payments to Municipalities and other public bodies for or towards the cost of drainage and other works and purposes. Under this authority, an amount of £350,000 was allocated to the Country Roads Board Fund from the Loan Fund. In this regard, it may be recalled that the Honorable the Treasurer, during the course through the House of the Bill which later became the Motor Car (Fines and Drivers' Licence Fees) Act, indicated that this allocation of £350,000 from the Loan Fund was to be provided as the sum equivalent to the cash loss to the Country Roads Board Fund as a result of the diversion to Consolidated Revenue of the fines collected under the Motor Car Act.

Debt charges in respect of the aforementioned contribution are to be borne by Consolidated Revenue.

- (iii) *Temporary Advance.*—Section 38 (2) of the *Country Roads Act* 1958 empowers the Treasurer, when moneys in the Country Roads Board Fund are insufficient to meet authorized expenditure, to advance to the Fund, temporarily out of the Public Account, sums not exceeding £500,000 in any year, for the purpose of meeting such expenditure.

In 1964–65, the Treasurer advanced the sum of £250,000 for the purposes of the Fund and, in accordance with Section 38 (3) of the Act, this amount is required to be refunded to Public Account, from the Fund, before 30th September, 1965.

- (iv) *Road Charges—Commercial Goods Vehicles Act* 1958.—Receipts for the year from these charges, credited to the Roads Maintenance Account within the Fund, amounted to £2,963,142.

The moneys at credit of the Roads Maintenance Account are available to finance road maintenance expenditure only. Other receipts at credit of the Country Roads Board Fund are available to meet expenses of administration, debt charges and the costs of road works generally.

Loan Fund.—Under the authority of Section 31 of the *Country Roads Act* 1958, the Treasurer, in 1964–65, provided from Loan Fund the sum of £381,000 for the purpose of permanent works as defined in the said Act. This sum was allocated as follows:—

	£
For State highways and main roads generally	346,000
As the final instalment towards the cost of widening and strengthening the Anglesea and Ocean roads to facilitate the development of brown coal resources at Anglesea	35,000
	381,000

Commonwealth Aid Roads Act.—The *Commonwealth Aid Roads Act* 1959 expired on 30th June, 1964, and was replaced by the *Commonwealth Aid Roads Act* 1964, with effect as from 1st July, 1964.

By direction of the new Act and subject to the conditions therein, the Commonwealth is paying to the States for the purpose of financial assistance for road construction and other works:—

- (i) basic annual sums—commencing at £62,000,000 in the year just past and increasing by £2,000,000 each year up to and inclusive of 1968–69, the final year in the statutory table; and
- (ii) additional sums—commencing in 1964–65 at a maximum of £3,000,000 and increasing by £3,000,000 in each subsequent year of the statutory five-year period.

As required by the Act, each basic annual grant is being distributed amongst the States in the following manner:—

first, one-twentieth is being paid to the State of Tasmania and then the remainder is being divided amongst the other States in terms of the statutory formula which has as its basis, as between those States, their relative populations, areas and numbers of motor vehicles registered.

As to the amount of each State's additional assistance grant, a State is entitled, in respect of each year of the five-year period, to receive a sum equivalent to the amount its expenditure on road construction from its own resources for the particular year exceeds the amount specified opposite to its name in the schedule to the Act or, in lieu thereof if it is less, its quota for the year as calculated in terms of the Act. Further, in respect of a State's expenditure from its own resources for the purpose of eligibility for and determination of the amount of its additional assistance grant—

- (i) its expenditure for the particular year may extend into the first half of the following year but the overlapping part of this expenditure requires to be financed from an amount set aside by the State for the purpose in the relevant year; and
- (ii) the information on which the grant is based is required to be certified by the Auditor-General of the State concerned.

Victoria's share of the basic grant of £62,000,000 for 1964–65 was £12,197,609 and it received by way of additional assistance an amount of £590,207. This latter sum was allocated to Victoria as its quota of the £3,000,000 available for distribution amongst the States by way of additional assistance for road construction in 1964–65. The necessary information on which Victoria's share of this additional grant is to be finally determined has not yet been presented for my certification.

Of the total amount of £12,787,816 received by Victoria in 1964-65, £12,591,080 was made available to the Country Roads Board to meet expenditure on the construction, reconstruction, repair and maintenance of roads in the State with the proviso that part thereof, amounting to £5,115,126, was to be reserved for works on roads in rural areas or for the purchase of road making plant for use in those areas. The balance, £196,736, as allowed under Section 5 of the Act, was allocated to the Public Works Department for expenditure on works, other than road works, directly connected with transport by road or water.

Available Funds and Expenditure.

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

PRINCIPAL FUNDS AVAILABLE.	
1963-64.	1964-65.
£	£ £
	<i>Country Roads Board Fund—</i>
1,400,522	Balance from previous year 3,597
11,714,116	Net Taxes 11,689,147
789,714	Municipal Contributions 844,963
2,818,969	Road Charges—Commercial Goods Vehicles Act 2,963,142
110,966	General Receipts 194,415
..	Special Contribution—Public Works Loan Application Act No. 7186 350,000
..	Advance from Public Account 250,000
<hr/>	<hr/>
16,834,287	16,295,264
	<i>Loan Moneys—</i>
333,000	Act No. 6229—State Highways and Main Roads 381,000
<hr/>	
	<i>Commonwealth Aid Roads Act—</i>
6,650,516	For Roadworks Generally 7,475,954
4,564,851	For Rural Roads 5,115,126
<hr/>	<hr/>
11,215,367	12,591,080
<hr/>	<hr/>
28,382,654	29,267,344

EXPENDITURE.

1963-64.	1964-65.
£	£
	Principal items of expenditure by the Board may be classified as follows:—
24,477,193	Construction and Maintenance of Roads, &c. 25,194,559
894,517	Payment of Interest (including exchange) 912,270
46,107	Sinking Fund Contributions and Loan Conversion Expenses 46,700
34,602	Repayment to Loan Fund 35,089
213,658	Transfer to Tourist Fund 234,268
39,838	Contribution—Australian Road Research Board 53,303
2,673,142	General Expenditure, including Administration, Stores, and Materials, &c. .. . 2,786,432
<hr/>	<hr/>
28,379,057	29,262,621
<hr/>	<hr/>
3,597	Unexpended Balance at 30th June 4,723

The unexpended balance at 30th June, 1965, £4,723, was held on account of the Country Roads Board Fund. In this regard, it should be noted that the cash position of the fund was assisted materially by the temporary advance of £250,000 from Public Account in the latter part of the year. As at the close of the year, this amount was still to be repaid. Further, as at the close of the year, claims against the Fund unpaid amounted to roundly £1,230,000 as against similar claims amounting to approximately £757,000 unpaid as at the close of the previous year.

Moneys received from the Loan Fund and under the Commonwealth Aid Roads Act were fully expended in the year.

FUNDS CHARGED WITH EXPENDITURE UPON ROADWORKS.

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

—	Total.	Country Roads Board Fund.	Commonwealth Aid Roads Acts.		Loan Fund.
			Roads Generally.	Rural Roads.	
	£	£	£	£	£
State Highways	8,540,286	4,137,690	4,209,164	..	193,432
Main Roads	7,594,355	5,671,109	1,735,678	..	187,568
By-pass Roads	2,426,762	1,826,722	600,040	..	..
Forest Roads	356,891	..	..	356,891	..
Tourists' Roads	710,886	640,261	..	70,625	..
Unclassified Roads ..	5,565,379	..	877,769	4,687,610	..
	*25,194,559	12,275,782	7,422,651†	5,115,126	381,000

* Includes expenditure in respect of the acquisition of land for roadworks—£2,833,154.

† Excludes contribution to Australian Road Research Board, £53,303.

GENERAL AND ADMINISTRATIVE EXPENDITURE.

The following summary embraces the major items of expenditure under this head :—

1963—64.		1964—65.
£		£
1,472,310	Salaries, Long Service Leave, Retiring Gratuities, &c.	1,735,800
203,814	Printing and Stationery, Office and Motor Car Expenses, &c.	217,229
51,553	Divisional Offices and Residences	59,157
188,896	Kew Office and Laboratory—Buildings	35,531
48,036	Kew Office and Laboratory—Building Services	61,233
35,141	Pay-roll Tax	41,749
596,273	Plant Purchase (net)	348,567
424,945*	Properties Acquired for Road Deviations	Cr. 33,191
84,769	Traffic Section Costs	104,346
61,584	Traffic Line Marking	83,318
43,511	Murray River Bridges and Punts	83,465
15,746	Contribution—Metropolitan Transportation Committee—Act No. 7003	63,553
		2,800,757
3,226,578		
38,295	Cr. Less—Recoup—Administrative Oncost	Dr. 37,958
	—Other—Net Items (Including credit balances on plant operating, stock accounts, &c.)	Cr. 52,283
515,141	Cr.	Cr. 14,325
553,436	Cr.	
2,673,142	General Expenditure as per Treasurer's Statement	2,786,432

* Includes revenue producing properties only. Other properties acquired were charged to the respective road works.

Certain items included in the above summary warrant further explanation. Details are :—

(a) *Properties Acquired for Road Deviations, &c.*—In previous years, the Board charged the costs of acquisition in respect of revenue producing properties acquired for road deviations, &c., to a general expenditure item within the Fund until such time as the properties concerned were necessary for the construction of the respective road works. In 1964–65, however, the Board's accounting procedures were amended in order to charge the costs of all such acquisitions direct to the road works concerned.

The credit balance in respect of this item, viz., £33,191, reflects transfers of the costs of acquisition applicable to certain properties acquired in previous years and taken over for road works in 1964–65.

(b) *Recoup—Administrative Oncost.*—In 1964–65, the Board, after receipt of advice given by the Crown Solicitor, refunded to Loan Fund £82,858 as a reduction of its administrative oncost charged to the King's Bridge project. This refund was the cause of the debit balance of £37,958 in the Board's books.

Amending Legislation.

In my report for the year 1963–64, it was pointed out that certain items of expenditure, viz., Properties Acquired for Road Deviations, &c., Long Service Leave and Retiring Gratuities, were the subject of proposed legislation and that, pursuant to Section 34 of the *Audit Act* 1958, certain sums had been withheld from the relevant acquittances to the Treasurer. Following on the passing of such amending legislation—the *Country Roads (Amendment) Act* 1964—during the year, the Treasurer was duly acquitted by me in respect of the amounts previously withheld.

RELIEF TO MUNICIPALITIES.

Municipalities which have benefited from permanent works upon main or developmental roads or from maintenance works upon main roads are required to pay to the Board an annual contribution in respect of the funds expended. In certain circumstances, the required contribution may be reduced or waived, and for 1964–65 these concessions amounted to £834,534. Details are—

(a) *Permanent Works.*

Of the proportion charged to municipalities for permanent works on main roads, £56,308, relief, as provided in Act No. 6229, was granted to the extent of £17,420. The *Country Roads (Amendment) Act* 1964 relieved the Board of its former liability to pay the amount of such relief to the Treasurer out of the Country Roads Board Fund.

In respect of the interest on developmental roads assessed at £4,915, the whole was remitted.

(b) *Maintenance.*

Of the sum of £1,618,274, apportioned to municipalities, being one-third of the cost of maintenance of main roads in respect of the year 1963–64, the Governor in Council remitted £812,199 as excessive maintenance not due to local traffic. The net amount due was paid to the Board prior to 30th June, 1965.

TOURIST FUND.

For particulars of the operation of this Fund see page 114.

The *Tourist Act* 1958 as amended by the *Tourist (Amendment) Act* 1960, No. 6682, requires that an amount equal to 2 per centum of the amount of fees and fines under the Motor Car Act credited to the Country Roads Board Fund in the previous financial year shall be paid from the Country Roads Board Fund to the Tourist Fund in the subsequent year. The principal Act further provides that the amount of such payment shall, in every year, be certified by the Auditor-General and that the certificate of the Auditor-General shall be final and conclusive for all purposes. The amount so certified and paid in 1964–65 was £234,268.

WORKS CARRIED OUT FOR COMMONWEALTH AND STATE AUTHORITIES.

Act No. 6229 authorizes the Board, with the consent of the Governor in Council, to undertake at the request and at the expense of the Commonwealth of Australia, the State of Victoria or any municipality or public authority any works for which the Board is suitably equipped. Amounts expended on such works during the year are set out in the statement below, expenditure in the previous year being shown for the purposes of comparison :—

1963-64.		1964-65.
£		£
116,306	Commonwealth of Australia	7,050
45,444	Rural Finance and Settlement Commission	64,570
33,044	Department of Crown Lands and Survey	34,160
Cr. 925	Housing Commission	51,926
43,927	State Rivers and Water Supply Commission	49,450
3	State Electricity Commission	8,551
..	Premier's Department	2,035
47,105	Other	5,097
<u>284,904</u>		<u>222,839</u>

All of the above-mentioned bodies made advances to the Board towards the cost of these works and the Board was enabled to defray the cost of the works without encroachment upon its own funds.

At 30th June, 1965, an amount of £28,798 was held in the Country Roads Board Special Works Account—representing unexpended balances of advances made by Government Departments and State authorities for works to be carried out by the Board. A further sum of £3,354 was held in the Commonwealth Works Account on behalf of the Commonwealth Government.

LOAN OPERATIONS.

Loan expenditure amounting to £381,000 during the year increased the Board's loan liability which, at 30th June, was as set out in the following statement :—

	Main Roads.	Developmental Roads.	Total.
	£	£	£
Net loan liability at 30th June, 1964 ..	11,000,880	3,771,310	14,772,190
Add—Discount and Expenses	3,003	586	3,589
Expenditure—Act No. 6229	381,000	..	381,000
	<u>11,384,883</u>	<u>3,771,896</u>	<u>15,156,779</u>
Less—Repayments	35,089	..	35,089
	<u>11,349,794</u>	<u>3,771,896</u>	<u>15,121,690</u>
Deduct—Increase in equity in National Debt Sinking Fund	131,493	106,275	237,768
Net loan liability at 30th June, 1965 ..	<u>11,218,301</u>	<u>3,665,621</u>	<u>14,883,922</u>

COAL CANAL BRIDGE.

The Board has been authorized as from 10th May, 1960, pursuant to the provisions of the *Coal Canal Bridge Act 1960*, No. 6613, to :—

- (a) construct and in due course remove a temporary bridge over the Railway Coal Canal at West Melbourne adjacent to the existing bridge ; and
- (b) demolish the existing bridge and in its place erect a new bridge to be known as the Coal Canal Bridge.

The cost of these works is to be borne as follows :—

	%
Government of Victoria	50
City of Melbourne	30
Victorian Railways Commissioners	10
Melbourne Harbor Trust	10

The Act further provides for the construction of a service road and the installation of traffic signals by the Melbourne City Council; for the cost thereof to be borne equally by the Council and the Government of Victoria; and for the Railway Department to meet the cost of constructing the new bridge in such a way as to enable the deck to be raised to allow of the construction of an overpass over the Appleton Dock railway line.

To 30th June, 1965, under the authority of various Loan Application Acts, expenditure by the Board on works associated with the project amounted to £172,313; and the Melbourne City Council, on account of works constructed by it, had been reimbursed to the extent of £52,010. Thus, as at the close of the year under review, the total charge to Loan Fund was £224,323.

Expenditure by the State on the project to 31st May, 1965, was allocated in accordance with the provisions cited above and, up to and inclusive of the close of the year, the sum of £82,713 had been recouped by the several statutory contributories and credited to Loan Fund.

MUNICIPALITIES FORESTS ROADS IMPROVEMENT FUND.

This Fund was established during 1954-55, with an appropriation from Revenue of £50,000, to provide assistance to municipalities for the improvement and protection of roads adjacent to forest areas in order to facilitate the extraction of forest produce. Subsequently, additional credits to the Fund amounting to £90,000 have been provided from loan moneys under the authority of Public Works Loan Application Acts Nos. 6701, 6826, and 7186.

Recoups to municipalities for the purposes stated are made from the Fund in accordance with allocations approved by the Minister for Public Works after consideration of joint recommendations of the Forests Commission and the Country Roads Board. Such recoups amounted to £2,498 during the year and when added to those made in previous years brought the total charge to the Fund to £112,158 up to and inclusive of the 30th June, 1965. The amount at credit to the Fund unexpended at that date was £27,842.

THE METROPOLITAN TRANSPORTATION COMMITTEE.

This Committee was established by *The Metropolitan Transportation Committee Act 1963* to advise the Governor in Council on the following matters :—

- (a) the planning and development of transport facilities and services within the metropolitan area ;
- (b) the supervision, co-ordination and control of the activities of all persons and bodies concerned with public transport within the metropolitan area ;
- (c) the improvement of transport facilities and services within the metropolitan area ; and
- (d) any other matter relating to transport facilities and services referred to it by the Governor in Council.

The Act further provides that the Committee may make such inquiries, investigations or surveys as it thinks fit in carrying out its functions and that any expenses incurred are to be borne in such manner and in such proportions as may be determined by the Governor in Council.

Pursuant to the provisions of the Act, the Committee has appointed a firm of consultants to carry out a survey of public transport in the metropolitan area. Expenditure for the purposes of this survey, which is charged to Public Account pending allocation, amounted to £352,943 at 30th June, 1965.

By direction of the Governor in Council, in terms of the Act, the total cost of the survey is to be borne by the statutory bodies as set out hereunder :—

<i>Statutory Body.</i>	<i>Share or proportion of cost.</i>
	£
(a) the Melbourne City Council	10,000
(b) the Transport Regulation Board	5,000
(c) the Victorian Railways Commissioners ; the Melbourne and Metropolitan Board of Works ; the Country Roads Board ; and the Melbourne and Metropolitan Tramways Board	} The balance of expenditure in equal proportions.

Up to and inclusive of 30th June, 1965, contributions by the statutory bodies listed above amounted to £332,197. As at the close of the year, unallocated expenses amounting to £20,746 remained a charge to Public Account.

TOURIST DEVELOPMENT AUTHORITY.

Under the *Tourist Act* 1958, as amended, the Tourist Development Authority is a body corporate responsible, primarily, for recommending to the Minister:—

- (i) measures for the publicizing and development of the tourist industry in Victoria; and
- (ii) the making of payments out of the Tourist Fund for the improvement of tourist facilities.

For such purposes the Minister may authorize payments from the Fund on such terms and conditions as he thinks fit.

The Authority is also empowered to promote, assist and co-ordinate the activities of persons and organizations interested in the development of the tourist industry and to investigate such matters relating to the industry as are referred to it by the Minister.

In addition, the Authority is responsible for the administration of eight Victorian Government Tourist Bureaux. Three of these are outside Victoria, located respectively, at Adelaide, Sydney, and Brisbane.

The annual credits to the Tourist Fund include—a statutory levy on the Country Roads Board Fund calculated at 2 per centum of the amount credited to that Fund pursuant to the provisions of paragraph (d) of sub-section (1) of Section 38 of the *Country Roads Act* 1958; a specific appropriation from Consolidated Revenue under the authority of a Premier's Department Vote; a contribution, also from Consolidated Revenue, as a charge to Railway Working Expenses; fees and fines under the *Motor Boating Act* 1961; and allocations from Loan Fund under the authority of certain Public Works Loan Application Acts.

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

1963-64.		1964-65.
£	<i>Credits.</i>	£ £
246,753	Balance forward	212,347
213,658	Contribution from Country Roads Board Fund	234,267
63,000	Contribution under Public Works Loan Application Acts	70,000
	Contributions by Municipalities, &c.—	
500	On account of works	20
1,005	,, of motor boating facilities	2,628
		2,648
6,225	Interest on Loans to certain Bodies	5,975
7,015	Loan Repayments by certain Bodies	7,377
33,822	Motor Boat Registration Fees and Fines (Net)	88,512
	Less Costs and Expenses of Collection and Administration	33,472
		55,040
532	Miscellaneous	186
	Tourist Bureaux operations—	
60,929	Commissions, &c., received	71,826
	From Consolidated Revenue—Share of cost of operations—	
118,000	Premier's Vote	120,500
95,000	Railway Working Expenses	95,000
		287,326
846,439		662,819
	<i>Disbursements.</i>	
192,394	Developmental and Maintenance works authorized under the Act	162,541
25,169	Publicity—net (excluding Tourist Bureaux advertising, &c.)	32,522
15,900	Loans to certain Bodies	3,365
27,261	Provision of motor boating facilities	64,768
	Costs and administrative expenses—	
24,826	Head Office	26,564
*348,542	Tourist Bureaux	*293,758
		320,322
634,092		583,518
212,347	Balance at the close of the year	291,648
846,439		875,166

* Includes expenditure on renovations and furniture, &c.—in 1963-64, £1,646 at the Adelaide Bureau, £50,153 at the Sydney Bureau, £16,293 at the Brisbane Bureau and £1,205 at the Geelong Bureau; in 1964-65, £2,123 at the Brisbane Bureau, £1,884 at the Sydney Bureau and £1,177 at the Geelong Bureau.

It will be observed that the preceding statement of the credits to and disbursements from the Tourist Fund includes in a summarized form receipts from motor boat registration fees and fines, the relevant costs and expenses of collection and administration, and the sum disbursed in the provision of motor boating facilities. In this regard, it should be explained that all fees for the registration of motor boats under the *Motor Boating Act 1961*, together with certain fines imposed for breaches of that Act are payable into the Tourist Fund. Also, the costs and expenses incurred in the collection of those fees and in the administration of the Act including the acquisition of the necessary equipment for enforcement of the provisions of the Act are chargeable to the Fund. In terms of the Act, the net credit remaining after the defrayment of such costs and expenses is to be applied by the Tourist Development Authority in the provision of facilities for motor boating in Victorian waters. The following details are furnished in amplification of the relevant information shown in the Statement of the Fund.

	£	£
Credit at 1st July, 1964 (held in Tourist Fund)		76,080*
Add—Registration Fees	81,671	
Fines	6,961	
	88,632	
Less—Refunds	120	
	88,512	
Add—Municipal contributions towards provision of boating facilities		2,628
		167,220
Less—Expenditure—	£	
Provision of boating facilities	64,768	
Costs of Administration—		
Transport Regulation Board	11,063	
Chief Secretary's Department	22,204	
Public Works Department	205	
	33,472	
		98,240
Credit at 30th June, 1965 (held in Tourist Fund)		68,980

* Includes credit of £230 by way of adjustment on account of 1963-64.

Apart from the moneys credited to the Tourist Fund, cash collections by the Authority on account of railway bookings are, wherever practicable, paid into the Treasury by the Authority to the credit of railway income. Sums received for non-rail bookings are credited in the Treasury to the Tourist Bureaux Trust Account pending appropriate disbursement or allocation. The following statement summarizes the cash collections by the Authority at various locations during the years 1963-64 and 1964-65 and shows the accounts in the Treasury to which the collections for 1964-65 were credited.

Location.	Account Credited—1964-65.						1963-64 Total Collections.
	Railway Income.	Tourist Bureaux Trust Account.	Tourist Fund.	Revenue—No. 9—Miscel- laneous.	Treasury Trust— Unclaimed Moneys.	Total Collections.	
	£	£	£	£	£	£	£
Head Office		60,785	120,154	109	47	181,095	175,405
Tourist Bureaux—							
Melbourne	696,753	613,776		113		1,310,642	1,229,544
Sydney	30,461	49,114				79,575	71,247
Adelaide	34,851	78,154		3		113,008	94,989
Brisbane	9,117	13,089				22,206	21,161
Ballarat	10,957	54,528				65,485	56,398
Bendigo	11,905	66,113		3		78,021	70,195
Geelong	21,720	75,068				96,788	88,612
Mildura	4,004	10,826				14,830	13,371
	819,768	1,021,453	120,154	228	47	1,961,650	1,820,922

The value of rail travel for which tickets were issued by the Authority on the presentation of travel vouchers is not included in the above figures. In such instances, accounts are rendered by the Railways Department on the debtors concerned.

TRANSPORT REGULATION BOARD.

Functions of the Board are to improve and co-ordinate transport and, for these purposes, it has, pursuant to the provisions of the *Transport Regulation Act 1958*, and Part 1 of the *Commercial Goods Vehicles Act 1958*, jurisdiction over all commercial goods and passenger vehicles operating within the State. Fees (other than road charges) and fines under these Acts and fees under the Motor Car Acts for the registration of certain omnibuses are paid into the Transport Regulation Fund. Costs of administration and other authorized charges are met therefrom. The balance in the Fund at 30th June, 1965, was £395,474.

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

1963-64.			1964-65.	
£	<i>Receipts.</i>		£	£
674,381	Balance of Transport Regulation Fund at 1st July .. .. .		..	675,144
330,062	Licence Fees and Additional Fees on Licences		343,780	
412,004	Permits—Goods and Passenger		417,736	
7,005	Drivers' Certificates		6,574	
5,361	Metropolitan Omnibus Registration Fees		5,886	
75,822	Fines		90,507	
9,323	Miscellaneous Receipts		10,250	
			<hr/>	874,733
<hr/>				<hr/>
1,513,958				1,549,877
	<i>Payments.</i>			
516,045	Salaries and Overtime (Including Pay-roll Tax, &c.)		556,825	
125,069	Other Administrative Expenses		134,700	
14,695	Payment for Police Services		16,410	
3,318	Contribution towards erection of Comfort Stations and Bus Shelters, &c. ..		1,700	
30,637	Amounts Distributed to Municipalities		28,000	
144,050	New Head Office, Land and Building—Carlton		416,768	
5,000	Contribution—Metropolitan Transportation Committee—Act No. 7003 ..		..
			<hr/>	1,154,403
<hr/>				<hr/>
675,144	Balance of Transport Regulation Fund at 30th June .. .. .		..	395,474

The granting of "licences as of right" to approved decentralized industries pursuant to Section 5 of the *Commercial Goods Vehicles Act 1958* as amended by the *Commercial Goods Vehicles (Decentralized Industries) Act 1963* had a retrogressive effect on the revenue from goods permits as reflected by the comparatively small increase in the collections from this source.

The marked reduction in the balance at credit of the Fund arose mainly from the substantial expenditure during the year in connexion with the erection of the new Head Office building.

Road Charges.—Part II. of the *Commercial Goods Vehicles Act 1958* requires the owners of commercial goods vehicles 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 1964-65 was £2,963,142 as compared with £2,818,969 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.

This Act also provides that these fees are to be credited to the Tourist Fund and that the costs of collection are to be recouped from the said Fund.

The registration fees collected by the Board during 1964-65 amounted to £81,671. The costs of collection were recouped to the extent of £11,063.

VICTORIAN DRIED FRUITS BOARD.

The 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.

The Board's 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 1963 and 1964:—

1963.		1964.	
£	£	£	£
13,558		Contributions	20,977
475		Other Income	535
<u> </u>	14,033		<u> </u>
		Expenditure—	
2,336		Allowances, Board Members	2,140
3,317		Salaries, Office Staff	3,226
5,781		Inspection and Grading	6,747
3,309		General Expenses	3,463
<u> </u>	14,743		<u> </u>
Deficit	<u> 710</u>	Surplus for Year	<u> 5,936</u>

The rise of £7,419 in income from "Contributions" was due to an increase in 1964 in the tonnage of dried fruits processed.

At 30th June 1965, the balance at credit to the Fund amounted to £29,236 and comprised cash £11,236 and investments £18,000.

WORKERS COMPENSATION BOARD.

In accordance with the provisions of the *Workers Compensation Act 1958*, the revenue of the Board consists of contributions by Insurers, the Victorian Railways Commissioners and employers who operate approved schemes of compensation. All receipts of the Board are paid into a Trust Fund kept at the Treasury styled the "Workers Compensation Board Fund" from which are met the costs and expenses of the Board. The Fund is also available for the payment of moneys due under awards against uninsured employers. The Insurance Commissioner is entitled to recover any such amounts. Certain expenses incurred by the Commissioner in recovering these amounts are met from Consolidated Revenue.

Particulars of Income and Expenditure of the Fund for the years 1963-64 and 1964-65 are as follow :—

	1963-64.	1964-65.
	£	£
<i>Income—</i>		
Contributions from Insurers and others	62,532	83,392
<i>Expenditure—</i>		
Salaries	34,603	35,025
Rent	8,548	13,353
General	9,735	11,621
Claims on uninsured employers paid from the Fund (net) ..	21,094	8,239
	73,980	68,238
Excess of Income over Expenditure for the year .. .. .	..	15,154
Excess of Expenditure over Income	11,448	..
	11,448	..

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

Receipts and Payments of the Common Fund for the years 1963-64 and 1964-65 are summarized below:—

	1963-64.	1964-65.
	£	£
Receipts	1,812,287	1,968,714
Payments	1,375,642	1,500,381
	1,375,642	1,500,381
Excess of receipts over payments	436,645	468,333
Balance at beginning of year	4,942,716	5,379,361
	4,942,716	5,379,361
Balance at close of year	5,379,361	5,847,694
	5,379,361	5,847,694

Investments, &c., controlled by the Board at 30th June, 1965, are shown hereunder :—

Common Fund—							£
Cash, State Savings Bank of Victoria	..	..	..	..	..	..	158,070
Commonwealth Securities (face value)	..	..	..				1,589,530
State Electricity Commission Debentures	..	..	..	..	..	..	2,400,000
Melbourne and Metropolitan Board of Works Debentures				..	..	..	1,500,000
Geelong Waterworks and Sewerage Trust Debentures	..	..	..	..	..	..	200,000
Temporary Advances	..	..	..	..	..	..	94
							<hr/> 5,847,694 <hr/>
Specific Investments—							
Commonwealth Securities	..	..	..	..	..	..	5,610
State Electricity Commission Debentures	..	..	..	..	..	..	2,400
Melbourne and Metropolitan Board of Works Debentures				..	..	..	3,500
Geelong Waterworks and Sewerage Trust Debentures	..	..	..	..	..	..	2,000
							<hr/> 13,510 <hr/>

GUARANTEES.

In certain instances, authorities for guarantees have been provided by specific legislation such as that relating to Co-operative Housing Societies. But, on other occasions, the State has been committed in respect of guaranteed bank overdrafts by the Executive without the specific authority of Parliament.

Particulars are given below of guarantees not authorized by statute and current at 30th June, 1965, showing the contingent liability of the State under each guarantee at that date.

	Guarantee.	Contingent Liability.
	£	£
Ballarat Agricultural and Pastoral Society	3,500	3,500
Ballaarat City Council	10,000	10,000
Bendigo City Council	10,000	10,000
Exhibition Trustees	180,000	90,000
Olympic Park Committee of Management	140,000	67,500
Royal Agricultural Society of Victoria	520,000	310,551
A. V. Page Pty. Ltd., Wonthaggi	25,000	25,000
College of Pharmacy	28,000	28,000
Eclarte Pty. Ltd.	4,000	4,000

The reasons for the guarantees mentioned above were given in the reports for previous years.

Set out below are details of guarantees, authorized by statute, together with contingent liabilities at 30th June, 1965.

	Guarantee.	Contingent Liability.
	£	£
Co-operative Housing Societies	87,025,500	55,489,946
Co-operative Housing Societies .. .. .	..	*28,615,337
Co-operative Societies	774,305	358,338
Home Finance Trust	9,624,868	8,461,375
Victorian Inland Meat Authority	50,000†	18,506

* State's liability to the Commonwealth on account of advances to Societies from the Home Builders' Account.
 † Pursuant to Sections 19 and 20 of *Victorian Inland Meat Authority Act 1958*.

The repayment of loans made by approved bodies to registered Co-operative Housing Societies has been guaranteed by the Treasurer under the provisions of the *Co-operative Housing Societies Act 1958* which as a result of amendment by the *Co-operative Housing Societies (Guarantees) Act 1963*, now provides a limit of £90,000,000 to the aggregate liability which may be incurred by the State under this heading. At 30th June, 1965, 743 guarantees were current in support of loans made or to be made.

The Principal Act as amended by the *Co-operative Housing Societies (Amendment) Act 1963*, empowers the Treasurer to enter into an agreement with a Society to indemnify it against that part of any loss the Society may sustain in respect of an advance to a member upon the security of his land and dwelling-house, where such of the loss sustained is directly attributable to the fact that the amount of the advance made by the Society, reduced by the value of the share capital of the member, exceeded 80 per centum of the value of the member's security; and that the amount of such advance, subject to certain deductions, did not exceed £3,300. However, by further amendment of the Principal Act in terms of the *Co-operative Housing Societies (Indemnities) Act 1964*, the Treasurer may indemnify a Society against loss in the case of a member having five or more dependent children provided that the advance involved did not exceed £4,000. At 30th June, there were 2,230 indemnities in force, the contingent liability in respect of which was £478,006.

The *Co-operation Act 1958* as amended by Act No. 6749 provides a limit of £2,000,000 to the liability which the State may incur under guarantees given in respect of societies registered under this Act. To 30th June, 150 guarantees to the extent of £774,305 had been given in relation to the borrowings of a number of societies, and the contingent liability under the guarantees amounted to £358,338.

The activities of the societies registered under this Act and the Co-operative Housing Societies Act are subject to the supervision of the Registrar holding office under these two Acts. The accounts of the societies are not audited by me, but, under the controlling legislation, are required to be audited, at least annually, by a person registered as a company auditor. They may also be inspected by the Registrar or some other person authorized to act on his behalf.

It is provided in the Home Finance Act 1962 that the Treasurer, with the approval of the Governor in Council, may execute a guarantee in favour of any institution which, on the security of a first mortgage of a dwelling-house, makes a loan in excess of certain specified maximum limits. A guarantee under this authority, however, is not to be executed where the amount of the loan exceeds 95 per cent. of the value of the dwelling-house. Also under this Act, but for the purpose of enabling the Trust to make a loan either on first or second mortgage, the Treasurer may, with the approval of the Governor in Council, execute a guarantee in favour of the Commissioners of the State Savings Bank of Victoria or any person or body depositing money with the Home Finance Trust or in favour of any bank lending money by way of overdraft to the Trust.

At 30th June, 233 guarantees amounting to £199,868 in respect of loans beyond the specified maxima, and 70 guarantees totalling £9,425,000 in respect of amounts to be deposited with or lent by way of overdraft to the Trust were current. The contingent liability, at 30th June, under these 303 guarantees was £8,461,375.

The accounts of the Trust are subject to audit by this office, and are discussed in further detail in my Supplementary Report.

Building Societies Act 1958.—This Act as amended by the *Building Societies (Amendment) Act 1961*, No. 6765, authorizes the Treasurer to guarantee the repayment by building societies of advances to them by banks, not exceeding in respect of any one society, a sum of £100,000. Up to and inclusive of 30th June, 1965, no such guarantees had been given.

THE STATE'S DEBTORS.

Debts coming within this section are of two classes—arrears of revenue and advances to public bodies and others.

Arrears of Revenue.—The statement hereunder gives the position as to the amounts owing at the end of each of the last three financial years in respect of the major State activities.

	1963.	1964.	1965.
	£	£	£
Railways and State Coal Mine	1,759,306	2,006,331	2,242,652
Taxation—			
Income	1,110	1,322	455
Unemployment Relief	357	392	172
Land	1,396,335	1,338,323	987,339
Probate Duty	744,525	495,223	902,491
Water Supply	541,842	548,472	639,478
Lands Department	39,118	68,383	61,492
Rural Finance and Settlement Commission	209,112	198,910	187,775
Forests Commission	234,082	213,670	292,720
Government Printer (excluding amounts due from State Departments)	42,902	50,361	33,584
Other Departments	58,863	40,506	45,239
Trading Activities—			
Victoria Dock Cool Stores	105,967	102,476	60,192
Erica Sawmill	13,816	9,237	7,135
Miscellaneous	123,409	54,490	69,144
	5,270,744	5,128,096	5,529,868

The arrears of Probate Duty for 1965 do not include the amount of £805,990 which represents assessments issued during June, but not due and payable until after 30th June.

Land Tax in arrears as at 30th June, 1965, as disclosed in the preceding statement, is comprised of amounts due in respect of several assessment years. Relevant details are :—

Assessment year.	Amount. £
1961 and prior years	7,210
1962	24,536
1963	28,612
1964	325,224
1965	601,757
	987,339

Collections during July, 1965, reduced these arrears by £417,558.

“Miscellaneous”, £69,144, represents cash in transit to the Treasury from various departmental branches throughout the State as at the close of the year 1964-65 and includes—from the Marine Board £13,683; and the City Court, £5,145.

Amounts due to the Social Welfare Department have not been included in the statement of arrears as the debtors are, in most instances, persons without the means to pay, or whose whereabouts are unknown, and substantial collections in respect of these arrears are unlikely.

Advances to Public Bodies, &c.—The State makes advances from loan and revenue sources to public bodies and other organizations, and debts due to the State in respect of these advances are discussed under this heading. Amounts made available to major undertakings such as the State Electricity Commission, Housing Commission, Rural Finance and Settlement Commission, &c., are not included here, but are discussed in the relevant sections of my supplementary report.

Advances additional to those from loan or revenue moneys have been provided from the Decentralization Fund, £448,727; and from the Tourist Fund, £144,025. To 30th June, 1965, repayments on account of these advances amounted to £194,275 and £25,960 respectively. Further references are made under appropriate headings in this report.

Set out below is a summary of advances made during the last three years by means of special items in Loan Application Acts or from Treasurer's Advance.

	1962-63.	1963-64.	1964-65.
	£	£	£
Corporations and other Bodies	1,845,336	1,226,705	1,356,000
Settlers	1,273	423	413
Various	74,349	116,896	86,450
Total	1,920,958	1,344,024	1,442,863

Advances made during these years were related mainly to projects associated with water supply and sewerage in country districts.

In some cases, repayment of advances has not been in accordance with the agreed conditions and, at 30th June, instalments of redemption and interest charges due and unpaid amounted to £97,884. Following is a concise statement of the balances of advances and amounts overdue, together with brief comments in respect of the larger items:—

	Balance of Advances at 30th June, 1965.			Overdue at 30th June, 1965.				
	Loan.	Revenue.	Total.	Redemption.			Interest.	Total.
				Loan.	Revenue.	Total.		
	£	£	£	£	£	£	£	£
Municipalities	1,412,500	..	1,412,500	11,444	..	11,444	35,313	46,757
Corporations and other bodies ..	15,520,138	..	15,520,138	3,623	..	3,623	23,467	27,090
Unemployment Relief Advances	98,047	..	98,047	15,736	..	15,736	..	15,736
Advances to Settlers	11,209	..	11,209	6,722	..	6,722	900	7,622
Various	752,416	1,754	754,170	425	254	679	..	679
Total	17,794,310	1,754	17,796,064	37,950	254	38,204	59,680	97,884

Included in the total of £97,884 overdue, is an amount of £900 on account of interest on advances to settlers. This amount is not shown in the Treasurer's Statement of Sundry Debtors to Revenue.

MUNICIPALITIES.

King-street Bridge.—The cost of construction of this bridge is being borne as to 65 per cent. by the State, 30 per cent. by the City of Melbourne and 5 per cent. by the City of South Melbourne. The cost is met initially by the State from the Loan Fund, and the proportionate shares of the municipalities are being repaid to the State, with interest at 5 per cent. per annum, over a period not exceeding 35 years from 30th June, 1958.

Expenditure charged to Loan Fund on account of the construction of the Bridge up to the close of the previous year amounted to £4,384,240. During the year under review, this sum was reduced by a net amount of £83,775 as detailed hereunder:—

30th June, 1964—	£
Expenditure to date	4,384,240
1964-65—	
Further expenditure	3,672
	4,387,912
Less Credits—	£
Sundry Rents	4,589
Refund from Country Roads Board Fund	82,858
(As per page 110 of this report)	87,447
30th June, 1965—	
Amount charged to Loan Fund on account of construction of Bridge	4,300,465

According to the Treasurer's accounts, the sum still to be repaid by the municipalities concerned, as at 30th June, 1965, was £1,412,500.

CORPORATIONS AND OTHER BODIES.

Local Governing Bodies.—To assist in the development of the water supply works controlled by certain municipalities, the State has made advances of £4,736,894 from loan and £4,000 from revenue. Repayments and amounts written off or transferred have left a balance to be repaid, at 30th June, of £2,893,234. Instalments of redemption and interest charges overdue at the same date totalled £4,948.

Sewerage Authorities.—Advances of £2,982,337 have been made from loan for capital works of country sewerage authorities, but £1,724,215 of this amount has been transferred to the Capital Expenditure Borne by the State Account. Repayments amount to £160,173, and the balance of liability at 30th June was £1,097,949.

Mildura Trusts.—Loan advances to the First Mildura Irrigation Trust and the Mildura Urban Water Trust amount to £1,971,030 of which there has been repaid £69,017. Liability to the extent of £1,394,850 has been transferred to the State and £18,416 has been written off, leaving the balance of advances at 30th June, £488,747.

Waterworks Trusts.—Of advances of £14,660,946 from loan and £33,625 from revenue, £10,045,051 was still to be repaid at 30th June.

At the same date 54 trusts between them owed £18,415 for redemption and interest charges. (For further reference to water trusts see under State Rivers and Water Supply Commission).

River Improvement Trusts.—Provision has been made in the *River Improvement Act* 1958 for advances to be made to river improvement authorities for expenditure on approved works. At 30th June, total advances from loan funds, including £2,547 transferred from a Waterworks Trust, amounted to £2,076,463, but liability to the extent of £1,832,368 has been borne by the State. Further reference is made to these trusts under State Rivers and Water Supply Commission.

UNEMPLOYMENT RELIEF ADVANCES.

Advances made to various bodies for purposes associated with the relief of unemployment totalled £2,478,032, of which £839,442 has since been treated as a grant and £27,824 has been written off. The balance of advances at 30th June, was £98,047 including £15,736 overdue instalments of redemption.

SURCHARGE.

In conformity with the provisions of Section 47 (1) (a) (v) of the *Audit Act* 1958, I furnish hereunder particulars of the surcharge unsatisfied as at 30th June, 1965.

Date.	Department, &c.	Amount.	Particulars.
		£ s. d.	
15.6.1965	Chief Secretary—Social Welfare Branch	4,746 0 1	Deficiency in Advance Account of the Branch

UNSATISFIED AUDIT QUERIES, ETC.**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 those public moneys which has been ascertained by me to have been duly and properly expended. Sub-section (3) of the said section excludes from the acquittance expenditure which is "the subject of query or observation or of show cause action or of disallowance or surcharge".

In accordance with the provisions of this Section the Treasurer has not been acquitted for expenditure as follows:—

	£
1958-59	4,139
1959-60	23
1960-61	1,597
1961-62	216
1962-63	3,880
1963-64	180,922
1964-65	90,617

Advances to Departments, &c., not adjusted at 30th June, 1965, amounted to £454,672. In respect of these advances, the Treasurer had not, at that date, been acquitted to the extent of £393,377.

IMPERFECT VOUCHERS.

Pursuant to Section 42 of the *Audit Act* 1958, the undermentioned vouchers which were imperfect for the reasons shown, were admitted as sufficient discharge of the Paymaster:—

Chief Secretary's Department.

Part adjustment as at 21st May, 1965, of the annual advance to the Social Welfare Branch—

Salaries and Overtime Payments, &c.—Ten vouchers, purporting to cover payments amounting to £9,758 17s., were defective to the extent that they were not supported by certificates of the authorized Paying Officers.

Health Department.

Treasury Voucher No. 96119 of 19th March, 1965—

Travelling Expenses, Committee Attendance Fees and Doctors' Fees, &c.—This voucher, which was for the amount of £773 8s. 9d., was defective in that it was not supported by sub-vouchers.

Defalcations and Irregularities, 1964–65.

Particulars as required by Section 47 of the *Audit Act* 1958 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.

Agriculture Department.

An officer, travelling interstate on official business wrongfully obtained a cash refund in respect of departmental railway tickets. Restitution was made, and the officer was fined £10 under the provisions of the Public Service Act.

Chief Secretary's Department.

Police Department.

Accounts Branch—Chief Commissioners' Office.—An audit disclosed a cash shortage of £5 10s. Individual responsibility for the loss could not be determined.

Motor Registration Branch.—A temporary Male Assistant admitted taking from official mail, postal notes to the value of £9. Restitution was made from salary due to the individual concerned and after he had pleaded "Guilty" to four counts of embezzlement, before the Court of General Sessions, he was placed on probation for twelve months.

A temporary Female Assistant admitted removing from inwards official mail, remittances amounting to £3 10s. Restitution was made and the employee concerned resigned from the Public Service. She was subsequently charged before the Court of General Sessions and placed on probation for twelve months.

Police Station, Apollo Bay.—A motor car transfer fee of £1 12s 6d. was alleged to have been paid to this station. A subsequent charge of embezzlement of this amount was dismissed by the Court of Petty Sessions.

Police Station, St. Kilda.—Bail money amounting to £20 being taken to the Court of Petty Sessions, Elsternwick, did not reach its proper destination. Police inquiries failed to establish its whereabouts.

A constable misappropriated trust moneys amounting to £111 9s 3d. He was presented to the Court of Petty Sessions on a charge of larceny. The case was adjourned for one year and the defendant was placed under good behaviour bond for the same period. Restitution was made.

Social Welfare Branch.

Head Office.—An audit of the several sections of the Advance Account of this Branch disclosed a cash shortage of £4,745 19s. 2d. Legal proceedings are in course.

Won Wron Reforestation Prison.—A Chief Prison Officer was charged before the Melbourne Court of Petty Sessions with larceny of certain items of plant, furniture and car tyres and tubes purchased from public moneys. The case was dismissed on certain grounds but, pursuant to the provisions of Section 36 of the *Audit Act* 1958, I surcharged the officer concerned with the sum of £225 7s. Following on this officer's resignation from the Public Service, the amount of the surcharge was satisfied by payment of an equivalent sum from his superannuation contributions.

Education Department.

Departmental inspections disclosed a number of irregularities and shortages at several departmental schools throughout the State. Details are:—

State School.	Public Moneys.	Other Moneys.	Total Deficiency.	Remarks.
	£ s. d.	£ s. d.	£ s. d.	
Ailsa	13 9 1	..	13 9 1	The over-all deficiency was due to various irregularities in respect of which two Head Teachers were concerned. The necessary cash adjustment has been made.
Ancona	19 10 10	..	19 10 10	Certain aspects of these shortages were the subject of police investigation. It was established that charges could not be sustained. The amount involved is being recovered from the teacher concerned by fortnightly deductions from salary.
Bald Hills ..	10 17 10	1 0 0	11 17 10	The Head Teacher concerned was dismissed from the Teaching Service and subsequently made full restitution of the official moneys in question.
Boorhaman North	0 8 4	8 9 9	8 18 1	Full restitution has been made and the Head Teacher concerned admonished.
Brunswick Girls' Secondary School	..	239 5 8	239 5 8	Full restitution was made and the matter was referred to the police. A Female Assistant at the School resigned from the Department and was subsequently charged before the Court of Petty Sessions and, upon her entering into a bond, the case was adjourned until 4th April, 1966.
Callignee	1 9 6	..	1 9 6	Delays in banking were evident. The small cash shortage at date of inspection has been recouped by the Head Teacher concerned.
Dadswell's Bridge	48 6 3	..	48 6 3	The shortage shown was the result of irregularities in several of the accounts of the School. The amount involved was recovered from the Teacher concerned by periodical deductions from his salary and he was reprimanded and fined £10 on three charges including his failure to maintain the school accounts in a satisfactory state.
Douglas	6 3 0	..	6 3 0	Restitution has been made and the Teacher concerned reprimanded by the Department and transferred to another School.
Laang	4 19 6	2 4 0	7 3 6	Restitution has been made by the Teacher concerned. His explanations and plea of inexperience were accepted.
Lowan	0 10 9	13 6 1	13 16 10	Restitution has been made and the Teacher concerned reprimanded.
Moonambel ..	11 10 0	..	11 10 0	Due largely, as stated, to inexperience, the Head Teacher at this School failed to account properly for several small sums amounting in all to the shortage shown. Full restitution has been made and no disciplinary action has been taken.
Perseverance ..	2 12 6	11 19 0	14 11 6	Included in the shortage was an amount of £11 19s. not brought to account for certain insurance premiums. This amount was produced and together with the relevant records transmitted to the appropriate insurance company. Also, full restitution of the official moneys was made. The Teacher concerned was suitably admonished.
Picola	0 13 9	..	0 13 9	Head Teacher at this School was reprimanded and fined £2 for failure to give his immediate attention to departmental communications. He subsequently resigned from the Teaching Service.
Wal Wal	17 15 3	..	17 15 3	The deficiency shown was the result of a number of irregularities. Restitution of the amount involved has been made and the Teacher concerned admonished for his failure to keep the accounts in a satisfactory manner.
Wallaloo East ..	2 3 3	0 7 4	2 10 7	The school accounts were found to be in an unsatisfactory state. The small deficiency disclosed was subsequently adjusted.

Brunswick Technical School.—An audit at this School disclosed a series of over and under-bankings and, as at the date of audit, a cash shortage of £52 5s. 1d. The whole of this deficiency, which was in the Extraneous Accounts of the school, has been written off by the School Council “as shortage due to clerical errors”.

University of Melbourne.

Cashier's safe.—£200 in a bundle of £5 notes was missing from the Cashier's safe in the Accounts Branch of the University. Personal responsibility for the amount of the loss has not been determined and a claim has been made for recovery under an insurance policy.

University Union.—It was alleged that certain takings in money bags were removed from the Union's overnight safe. The amount of the loss was £139 11s. 6d. Such loss was duly reported to the police.

Certain items of equipment and goods with a total estimated value of £137 17s. 7d. were stolen from the cafeteria in the lower dining hall and from the milk bar. These thefts were reported to the police and action has been taken to recover the loss in terms of the relevant insurance policy.

Approximately £619 10s. in cash and cheques was taken from the safe in the Union Theatre Booking Office. Police have been notified and a claim for the cash proportion of the shortage has been lodged for recovery with the appropriate insurance company.

Egg and Egg Pulp Marketing Board.

A Clerk-Storeman, responsible for operating the petrol pump for the purpose of petrol sales to the staff, failed to account properly for his collections. On demand, part payment of these collections was made and a subsequent investigation by the Board's Internal Audit disclosed an under-remittance amounting to, on this and other accounts, £80 4s. 1d. Full restitution was made and the services of the employee concerned were terminated by the Board.

Health Department.

Mental Hygiene.

Mental Hospital, Ballarat.—Trust Account moneys amounting to £28 10s. were found to be missing from the Secretary's safe. A temporary junior Messenger admitted having stolen the money and the matter was reported to the police.

Psychiatric Hospital, Royal Park.—An amount of £16 6s. 9d. was stolen from the Occupational Therapy Building. Police investigations failed to establish individual responsibility for the theft.

Law Department.

Sheriff's Office, Melbourne.—A pay envelope containing £35 18s. 3d. disappeared from the office strong room. Police inquiries were made but personal responsibility for the loss could not be determined.

Clerk of Courts, Camberwell.—The audit of the books and accounts at this Court disclosed various irregularities. The Clerk was charged before the Public Service Board with misconduct and the Assistant Clerk was also charged before the Board with misconduct and negligence or carelessness. The Clerk was fined £25 and the Assistant Clerk was reprimanded.

Clerk of Courts, Frankston.—Irregularities involving misappropriation of moneys amounting in all to £40 were detected at the Frankston and Hastings Courts of Petty Sessions. An officer admitted responsibility for the misappropriation and made full restitution of the sum in question. Court proceedings are in course.

Clerk of Courts, Dandenong.—It was alleged that two registered letters addressed to the Clerk of Petty Sessions, Dandenong, containing respectively, £2 in notes and a £1 note, the receipt of which was acknowledged by the local police, were not received at the Court. It was also reported that three remittances to the Clerk of Petty Sessions, in the form of cheques, were missing. Police investigations have failed to establish personal responsibility for these irregularities.

Railways Department.

Fifty officers and employees were found guilty of offences in respect of loss or theft of money or other property. With the exception of two instances involving sums of £560 and £769, the cash and other deficiencies were comparatively small.

Twenty of the charges were heard by the Courts and thirty were dealt with by the Railways Board of Discipline.

State Rivers and Water Supply Commission.

Bendigo Revenue Office.—A junior Administrative Officer admitted misappropriation of several sums amounting in all to £216 0s. 7d. Full restitution has been made and the officer concerned has since resigned.

State Electricity Commission.

Richmond.—An officer admitted unlawfully using for his own purposes pay-roll moneys amounting to £235. Restitution was made and the officer's services terminated.

Shepparton.—An employee was convicted and imprisoned for larceny of copper valued at £70. He was dismissed from the Commission.

South Melbourne Workshop.—Petty cash vouchers were falsified. Of those vouchers in question, thirty-three, totalling £19 19s., were proved to be false. Due to lack of conclusive evidence, court proceedings were not taken but an officer was downgraded and transferred to another position.

General.—All losses or thefts of stores or materials reported during the year were promptly investigated by officers of the Commission and were referred to the police for inquiry.

The services of Commission personnel were terminated in all instances where guilt was established.

Stores Deficiencies (Other)—In the year under review, there were other instances of loss or theft of stores. Particulars of these are furnished on the next succeeding page.

Particulars of other losses and thefts of stores reported during the year.

Department or Authority.	Location.	Items Lost or Stolen.	Value.	Remarks.
			£	
Agriculture Department..	Burnley	2 motor mowers ..	70	} Police notified
	Werribee	2 rubber tyred wheels	17	
	Maffra	Wheel and tyre ..	35	
	Scoresby	Disc mill and jack ..	44	
	Healesville	Seed potatoes ..	70	
Forests Commission ..	Lyndhurst	3 colonies of bees ..	24	Insurance claimed
	Box Hill	2 pairs binoculars ..	16	} Police notified
	Trentham	Battery	20	
Law Department ..	Titles Office ..	Fire extinguishers ..	10	Stolen
Melbourne and Metropolitan Board of Works	Various	Sundry tools and equipment	3,249	Written off
Mental Health Authority	Larundel	7 rubber mattresses	70	} Police notified
	Bundoora	106 packets cigarettes	15	
Public Works Department	State Laboratories ..	1 wheelbarrow ..	14	} Police notified
	Mordialloc	Planks, chains ..	19	
	St. Kilda	Tools, &c. ..	82	
	Ocean Grove	Equipment ..	22	
	Pentridge Prison ..	Planks, sand ..	45	
	Collingwood T.S. ..	Equipment ..	120	
	Mentone	Tools	18	
	Brighton Beach ..	Tools	67	
	Port Melbourne Store	2 tyres and tubes ..	15	
	Port Fairy	1 lifebuoy, 3 lamps	12	
	Various	Sundry tools, &c. ..	380	Written off
Rural Finance and Settlement Commission	Dunbulbalane ..	Tractor remote control kit	95	Police notified
State Rivers and Water Supply Commission	Tatura	Equipment ..	333	} Police advised in instances of suspected theft.
	Boort	1 tarpaulin ..	15	
	Kerang	Pump, engine, &c ...	200	
	Lake Bellfield ..		208	
	Buffalo River ..		142	
	Maffra		39	
	Cohuna		29	
	Bendigo	} Tools and equipment	90	
	Birchip		46	
	Hopetoun		14	
Frankston	194			
			69	
			142	
University of Melbourne	Union Shop	Retail stock ..	430	} Police notified
	School of Forestry ..	Cameras, &c. ..	431	
	Werribee Tractor Station	Tools	150	

ACKNOWLEDGMENT.

My retirement from office occurs on 20th November next and I take this last opportunity of again acknowledging the loyal and active support which Mr. A. T. Vanderstoel, the Assistant Auditor-General, and the other members of the staff of the State Audit Office have given me in the course of the discharge of my statutory and extra-statutory duties.

I also desire to express my thanks to the Director of Finance and the officers of the Treasury and other Departments for their ready co-operation during my tenure of office.

R. W. GILLARD,

Auditor-General.

Melbourne, 7th October, 1965.

STATEMENT No. 1.

RECEIPTS AND EXPENDITURE FOR THE YEAR 1964-65.

A statement of the Receipts and Expenditure of the Consolidated Revenue, Loan Moneys and Advances on account of Loan Moneys* for the financial year 1964-65.

		Receipts.		Expenditure.	
		£	s. d.	£	s. d.
<i>Balance brought forward—</i>					
Loan Fund	.. .. .	218,989	12 10		
				1,562,583	8 0
				<u>240,333,908</u>	19 4†
<i>Revenue for the year</i>	.. .. .	..	..240,333,908		
<i>Proceeds of Loans raised for Works &c.</i>	.. .. .	60,477,000	0 0		
<i>Less Flotation Expenses &c.</i>	.. .. .	147,478	17 10		
		<u>60,329,521</u>	<u>2 2</u>		
Loan Repayments	.. .. .	3,794,086	2 4		
		<u>64,123,607</u>	<u>4 6</u>		
<i>Less Applied to Special Redemption</i>		180	5 3		
				64,123,426	19 3
				<u>304,676,325</u>	<u>11 5</u>
<i>Revenue Expenditure—</i>					
Under Parliamentary Authority	238,771,325	11 4			
From Treasurer's Advance	..	1,562,583	8 0		
				<u>240,333,908</u>	19 4†
<i>Loan Expenditure—</i>					
Under Parliamentary Authority	63,474,605	12 9			
From Treasurer's Advance	..	452,793	5 9		
				<u>63,927,398</u>	18 6
<i>Total Expenditure for the year</i>	.. .. .	..	..	304,261,307	17 10
<i>Balance carried forward—</i>					
Loan Fund	.. .. .			415,017	13 7
				<u>304,676,325</u>	<u>11 5</u>

* Does not include £17,179,882 advances from Commonwealth Government for Housing, including £4,050,000 for the Home Builders' Account.

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

STATEMENT No. 2.

Comparison, on a monetary and proportional basis, of expenditure from Consolidated Revenue and Loan in 1964-65 with that in the previous year.

Note.—1964-65 shown in heavy type ; 1963-64 shown in light type.

Nature of Expenditure.	Revenue.		Loan.		Total.	
	—	Percentage of Gross Revenue.	—	Percentage of Loan Funds Available.	—	Percentage of Total.
	£		£		£	
Social—						
Education, Health, Child Welfare, Payments to Hospitals and Charities Fund, &c.	86,448,671	38·91	25,682,747	43·46	112,131,418	39·87
	94,944,592	39·51	27,478,003	42·71	122,422,595	40·18
Law and Order—						
Law, Police, Prisons, &c.	12,976,750	5·84	950,788	1·61	13,927,538	4·95
	13,687,914	5·69	1,080,688	1·68	14,768,602	4·85
Debt Charges	41,734,020	18·78	..	..	41,734,020	14·84
	44,843,266*	18·66	..	..	44,843,266*	14·72
Commonwealth-State Housing (Interest and Repayments)	6,937,488	3·12	..	..	6,937,488	2·47
	7,600,031	3·16	..	..	7,600,031	2·49
Railways—						
Working Expenses and Loan Expenditure	43,825,624	19·73	7,810,185	13·22	51,635,809	18·36
	47,340,736†	19·70	7,750,311	12·04	55,091,047†	18·08
Pensions	2,398,345	1·08	..	..	2,398,345	·85
	2,435,245	1·01	..	..	2,435,245	·80
Pensions (excluding Railways)	2,451,465	1·10	..	..	2,451,465	·87
	2,709,154	1·13	..	..	2,709,154	·89
Primary Production—						
Agriculture, Lands, Soldier Settlement, Forests, Country Water Supply &c.	11,080,376	4·99	11,882,856	20·11	22,963,232	8·16
	11,911,642	4·96	12,485,583	19·40	24,397,225	8·01
Advances to State Electricity Commission	..	..	8,000,000	13·54	8,000,000	2·84
	..	..	8,000,000	12·43	8,000,000	2·62
Other Public Works .. .. .	..	..	2,822,789	4·77	2,822,789	1·00
	..	..	5,199,297	8·08	5,199,297	1·71
Other Expenditure	14,584,353	6·56	1,725,800	2·92	16,310,153	5·80
	14,861,329	6·18	1,933,517	3·01	16,794,846	5·51
Total Expenditure from Consolidated Revenue and Loan	222,437,092	100·11	58,875,165	99·63	281,312,257	100·01
	240,333,909	100·00	63,927,399	99·35	304,261,308	99·86
Loan Funds carried forward .. .. .	..	..	218,989	·37	218,989	·07
	..	..	415,018	·65	415,018	·14
Revenue Deficit	252,536	·11	..	..	252,536	·08
Total Revenue and Loan Proceeds available to meet expenditure	222,184,556	100·00	59,094,154	100·00	281,278,710	100·00
	240,333,909	100·00	64,342,417	100·00	304,676,326	100·00

* Includes Railway Debt Charges, £1,592,815

† Excludes £1,592,815

STATEMENT No. 3.

LOAN FUND.

ABSTRACT OF TRANSACTIONS FOR THE YEAR 1964-65.

	£	s.	d.	£	s.	d.
<i>Balance</i> of Loan Fund at 30th June, 1964				218,989	12	10
<i>Receipts—</i>						
Proceeds of Loans Raised—						
For Works, &c.	60,477,000	0	0			
,, Redemption	69,796,708	0	0			
Loan Repayments	3,794,086	2	4			
				<u>134,067,794</u>	<u>2</u>	<u>4</u>
				<u>134,286,783</u>	<u>15</u>	<u>2</u>
<i>Disbursements—</i>						
Works, &c., Under Parliamentary Authority ..	63,474,605	12	9			
,, From Treasurer's Advance ..	452,793	5	9			
				<u>63,927,398</u>	<u>18</u>	<u>6</u>
Moneys applied to Redemption	69,681,288	5	3			
Flotation Expenses	147,478	17	10			
Conversion Bonus	115,600	0	0			
				<u>133,871,766</u>	<u>1</u>	<u>7</u>
<i>Balance</i> Loan Cash on Hand at 30th June, 1965				<u>415,017</u>	<u>13</u>	<u>7</u>

LIABILITY FOR LOANS.

	£	s.	d.	£	s.	d.
Liability to Commonwealth at 30th June, 1964 ..	763,772,371	10	9			
Loans raised in 1963-64—						
For Works, &c.	60,545,850	0	0			
,, Redemption	69,885,728	0	0			
				<u>130,431,578</u>	<u>0</u>	<u>0</u>
				<u>894,203,949</u>	<u>10</u>	<u>9</u>
<i>Less Loans Repurchased or Redeemed—</i>						
By Redemption Loans	69,759,700	5	3			
,, National Debt Sinking Fund ..	8,942,679	14	8			
				<u>78,702,379</u>	<u>19</u>	<u>11</u>
Liability to Commonwealth at 30th June, 1965 ..				<u>*815,501,569</u>	<u>10</u>	<u>10</u>
<i>Less</i> Cash at credit of National Debt Sinking Fund	548,978	11	10			
Unexpended balance of Loan Cash ..	415,017	13	7			
				<u>963,996</u>	<u>5</u>	<u>5</u>
Net Liability for Loans at 30th June, 1965				<u>*814,537,573</u>	<u>5</u>	<u>5</u>
Net Liability for Loans at 30th June, 1964				<u>762,929,258</u>	<u>18</u>	<u>8</u>
The increase during the year was				<u>51,608,314</u>	<u>6</u>	<u>9</u>

* Does not include £181,367,316 advanced by the Commonwealth for Housing purposes or £6,832,029 advanced for special assistance for Soldier Settlement.

STATEMENT No. 4.

TRUST FUNDS.

The Treasurer's liability on account of the Trust Fund, at 30th June, 1965, was :—

<i>Various funds as per Treasurer's Statement—</i>					£
Amounts lodged and invested	..	..	..	..	24,941,648
General Account balances	..	..	..	..	30,499,059
					<hr/>
					55,440,707
 <i>Represented by :—</i>					
Stocks and Securities—					
Commonwealth Government Inscribed Stock, &c.	..	..	..	..	13,639,620
Melbourne and Metropolitan Board of Works Stock	..	..	..	..	1,188,500
Melbourne and Metropolitan Tramways Board Stock	..	..	..	..	155,000
State Electricity Commission Stock	..	..	..	..	1,933,630
Gas and Fuel Corporation Registered Debenture Stock	..	..	..	..	405,000
Grain Elevators Board Stock	..	..	..	..	20,000
Geelong Waterworks and Sewerage Trust Stock	..	..	..	..	50,000
Geelong Harbor Trust Debenture	..	..	..	..	96,489
Kyabram Co-operative Fruit Preserving Co. Ltd.—Shares	..	..	..	..	4,283
Gas and Fuel Corporation of Victoria—Shares	..	..	..	..	7,496,394
Blue Moon Fruit Co-operative Ltd.—Shares	..	..	..	..	10
Camperdown—Glenormiston Dairying Co. Ltd.—Shares	..	..	..	..	70
Melbourne Harbor Trust Stock	..	..	..	..	65,000
State Savings Bank Deposit Stock	..	..	..	..	600,980
Pilot Vessel <i>Akuna</i> —Registered Mortgage Debenture	..	..	..	..	68,672
					<hr/>
					25,723,648
 Cash Advanced—					£
For Consolidated Revenue Deficit	..	..	..	..	1,948,519
„ Other Advances	..	..	..	..	1,892,132
					<hr/>
					3,840,651
Cash as per Treasurer's Statement	..	..	..	..	26,291,426
<i>Deduct—</i>					
Loan Fund Credit Balance	..	..	..	..	415,018
					<hr/>
					25,876,408
					<hr/>
					55,440,707
					<hr/>

DEBT CHARGES ACCOUNT.

The following particulars have been compiled from the Treasurer's Statements with the object of indicating the portion of the Revenue which may be regarded as available for the payment of Interest, Sinking Fund Contributions, &c., i.e., the amounts received to meet the Debt Charges paid for the year 1964-65.

		Receipts.		Payments.	
		£	s. d.	£	s. d.
<i>Paid to Revenue on account of Interest and Sinking Fund on Advances from the State's Loan Fund.</i>					
State Electricity Commission	..	4,982,246	19 2	..	33,094,283 14 11
Country Roads Board	..	958,970	4 4	..	2,586,192 6 8
Land Settlement	..	514,916	15 9	..	
Water Trusts and Corporations, &c.	..	523,542	11 4	..	35,680,476 1 7
Banks—Interest on Public Account	..	542,396	11 0	..	250,000 0 0
Rural Finance and Settlement Commission	..	500,233	7 9	..	
Latrobe Valley Water and Sewerage Board	..	245,676	13 8	..	35,430,476 1 7
Gas and Fuel Corporation	..	240,653	1 11	..	126,874 19 8
King-street Bridge	..	35,591	12 7	..	35,557,351 1 3
Grain Elevators Board	..	50,636	14 1	..	
Melbourne and Metropolitan Board of Works	..	50,076	4 4	..	1,199,174 9 11
Sewerage Authorities	..	23,057	5 10	..	7,713,588 16 4
Miscellaneous	..	187,196	16 9	..	23,003 6 5
					44,493,117 13 11
<i>Paid to Revenue—Recoup of Interest Other Loans.</i>					
Commonwealth—State Housing Agreement—	..	5,022,992	3 6	..	1,278,526 17 5
Housing Commission	..	1,049,047	12 11	..	298,085 1 11
Home Builders' Account	..			..
		6,072,039	16 5	..	1,576,611 19 4
Commonwealth—Special Assistance Loans for Soldier Settlement	..	258,314	8 1	..	6,072,039 16 5
Balance—Amount which had to be met from Taxation and other sources	..	..	..	..	258,314 8 1
		..	..	..	35,478 13 11
		..	..	..	6,365,832 18 5
		49,282,338	13 0		49,282,338 13 0

STATEMENT No. 5—continued.

DEBT CHARGES : STATISTICAL ANALYSIS.

Year.	Loan Liability (Average for each Year).*	Debt Charges Paid in each Year.	Net Amount Avail- able for Payment of Debt Charges.	Amount with which Taxation, &c., was Charged.	Average Debt Charge Rate on Loan Liability— Per Cent.	Rate of Receipts— Per Cent.	Provided by Taxation, &c.—Per Cent.
	£	£	£	£	£ s. d.	£ s. d.	£ s. d.
1955-56	428,456,232	19,160,720	4,269,329	14,891,391	4 9 5	0 19 11	3 9 6
1956-57	463,766,048	21,102,752	4,708,362	16,394,390	4 11 0	1 0 4	3 10 8
1957-58	500,015,672	23,918,452	4,896,071	19,022,381	4 15 8	0 19 7	3 16 1
1958-59	536,612,245	26,215,694	5,207,850	21,007,844	4 17 8	0 19 5	3 18 3
1959-60	574,566,917	29,645,507	5,695,985	23,949,522	5 3 2	0 19 10	4 3 4
1960-61	613,565,297	31,992,712	6,315,902	25,676,810	5 4 3	1 0 7	4 3 8
1961-62	653,742,997	35,265,929	7,120,264	28,145,665	5 7 11	1 1 10	4 6 1
1962-63	695,364,873	38,793,404	7,636,625	31,156,779	5 11 7	1 2 0	4 9 7
1963-64	740,012,351	41,385,234	8,499,540	32,885,694	5 11 10	1 3 0	4 8 10
1964-65	789,636,971	42,916,506†	8,819,716	34,096,790	5 8 8	1 2 4	4 6 4

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

† Excludes £1,278,527 provided by Railway Income and from Railway Equalization Account and £298,085 from Mallee Land Account.

COUNTRY WATER SUPPLY.

Year.	Loan Liability (Average for each Year).	Debt Charges on Water Supply Loans.	Net Earnings Available for Payment of Debt Charges.	Amount Provided by Taxation, &c.	Average Debt Charge Rate on Water Supply Loans —Per Cent.	Rate Earned—Per Cent.	Provided by Taxation, &c.—Per Cent.
	£	£	£	£	£ s. d.	£ s. d.	£ s. d.
1955-56	84,957,069	3,490,361	72,220	3,418,141	4 2 2	0 1 8	4 0 6
1956-57	91,579,468	3,814,836	..	3,814,836	4 3 4	..	4 3 4
1957-58	98,040,683	4,264,713	401,130	3,863,583	4 7 0	0 8 2	3 18 10
1958-59	104,864,693	4,640,190	322,656	4,317,534	4 8 6	0 6 2	4 2 4
1959-60	111,855,889	5,063,370	239,871	4,823,499	4 10 6	0 4 3	4 6 3
1960-61	119,230,446	5,483,647	268,932	5,214,715	4 12 0	0 4 6	4 7 6
1961-62	127,111,430	6,053,361	614,118	5,439,243	4 15 3	0 9 8	4 5 7
1962-63	134,861,639	6,500,947	715,990	5,784,957	4 16 5	0 10 8	4 5 9
1963-64	142,867,570	6,799,643	992,447	5,807,196	4 15 2	0 13 11	4 1 3
1964-65	151,451,641	7,253,688	1,029,678	6,224,010	4 15 9	0 13 7	4 2 2

RAILWAY ACCOUNTS.

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

		Receipts.		Expenditure.	
		£	s. d.	£	s. d.
<i>Revenue</i> —					
Railway Income	.. .. .	49,671,830	10 7	46,314,908	4 9
Treasury credit for concessions in certain Country Freight Charges	.. .. .	143,000	0 0	766,415	4 2
Recoup Kerang-Koondrook Tramway Act	.. .. .	13,764	0 0	200,000	0 0
Recoup Pensioners' Fares Concessions	.. .. .	100,000	0 0	18,300	0 0
		49,928,594	10 7	2,435,244	11 2
				49,734,868	0 1
<i>Transfer</i> —					
Railway Equalization Account	.. .. .	1,084,800	6 11	1,459,178	16 10
				68,274	8 7
				65,362	1 6
				1,592,815	6 11*
				51,327,683	7 0
<i>Loan</i> —					
Applied from the Loan Fund	.. .. .	7,679,607	4 8	4,101,626	11 3
<i>Deficit</i> —					
Charged to Consolidated Revenue	.. .. .	314,288	9 6	3,439,371	9 4
				138,609	4 1
				7,679,607	4 8
Total	.. .. .	59,007,290	11 8	59,007,290	11 8

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

STATEMENT No. 6—continued.

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

Expenditure.	1959-60.	1960-61.	1961-62.	1962-63.	1963-64.	1964-65.	Per cent. of Revenue.
Working Expenses	£ 36,957,974	£ 38,876,566	£ 40,000,032	£ 40,467,984	£ 42,619,934	£ 46,314,908	92·8
Commissioners' Salaries	15,654	17,000	17,000	17,000	18,300	18,300	92·3
Renewals and Replacements Fund	200,000	200,000	200,000	200,000	200,000	200,000	·4
Railway Accident, &c., Fund	488,743	483,264	504,208	550,147	581,288	766,415	1·5
Pensions and Gratuities	1,969,664	2,126,997	2,258,291	2,328,654	2,398,345	2,435,245	4·9
National Debt Sinking Fund	208,036	211,232	..	..	..	68,274	·2
Interest	3,605,250	3,777,482	..	..	..	1,459,179	2·9
Exchange on Interest Payments in London	173,882	190,016	..	..	..	65,362	·1
Loan Conversion Expenses	14,998	1,017	..	..	..	..	..
Railway Equalization Account .. .. .	..	920,347	3,659	..	370,379	..	·8
Receipts	43,634,201	46,803,921	42,983,190	43,563,785	46,188,246	51,327,683	100·0
Railway Equalization Account	39,031,893	42,624,173	42,983,190	43,354,201	46,188,246	49,928,595	100·0
Railway Equalization Account .. .. .	..	..	..	209,584	..	1,084,800	2·2
Deficiency	4,602,308	4,179,748	..	..	..	314,288	·6

* Charges of this nature were terminated as from 1st July, 1961, vide *Railways (Funds) Act 1961*. As from 1st July, 1964, these charges operated on the basis of moneys borrowed for Railway purposes as from 1st July, 1960, vide *Railway (Funds) Act 1964*.

COUNTRY WATER SUPPLY.—RECEIPTS AND EXPENDITURE (adjusted to nearer pound), 1964-65.

Receipts.

<i>Debt Charges—</i>	£	£	£
Water Trusts and Other Corporations, &c.	..	..	701,275
<i>Rates, &c.—</i>			
Coliban ..	..	247,714	
Waterworks Districts ..	..	588,143	
Irrigation Districts ..	..	1,968,463	
Urban Districts ..	..	803,091	
Flood Protection and Drainage Districts ..	..	64,150	
Miscellaneous ..	..	222,395	
		<u>3,893,956</u>	
<i>Recoups of Amounts paid from Revenue</i>	..	1,173,770	5,067,726
			<u>5,769,001</u>

Total Revenue

Total Revenue

Loan—

Country Water Supply—

Applied from the Loan Fund	1,985,411	
Add Charges to Treasurer's Advance	44,897	
	<u>2,030,308</u>	
<i>State Development Account—</i>		
Applied from the Loan Fund	..	6,681,779
		<u>8,712,087</u>

Net Cost to Taxation and Revenue from Other Sources

Total

Expenditure.

<i>Charged to Revenue—</i>	£	£	£	£
Salaries and payments in the nature of salaries	..	..	..	..
General Expenses ..	..	..	..	..
Coliban ..	..	..	..	..
Irrigation and Drainage Districts ..	..	..	..	..
Waterworks Districts ..	..	..	..	..
Flood Protection and Carrum Drainage ..	..	..	..	..
Removal of Sand Drift ..	..	..	..	..
			<u>4,594,721</u>	
Commissioners' Salaries ..	..	..	15,047	
Pensions and Gratuities ..	..	..	129,555	
National Debt Sinking Fund	..	289,189	85,290	4,739,323
			<u>374,479</u>	
Interest ..	..	5,244,089	1,399,868	
Exchange ..	..	182,224	48,677	
Loan Conversion Expenses	..	3,435	916	
			<u>1,449,461</u>	
				6,879,209

Total Revenue Expenditure.

Total Revenue Expenditure

Charged to Loan—

Trusts, &c. (for Advances)	..	20,264	1,599,805
Districts ..	..	6,659,649	..
Plant and Machinery ..	..	..	98,196
Latrobe Valley Water Supply ..	..	..	332,307
Salt Affected Land—Acquisition, &c.	..	1,866	..
		<u>6,681,779</u>	<u>2,030,308</u>

Total Loan Expenditure

Total Expenditure

APPENDIX A.

TREASURER'S ADVANCE 1964-65.

The following amounts were charged to Treasurer's Advance at 30th June, 1965, pending the passing of the appropriate Loan Application Act.

	£	s.	d.	£	s.	d.
<i>Public Works—</i>						
Victorian Artists Society	1,420	0	0			
North West Mallee Settlement Compensation	44,861	10	1			
Victorian College of Optometry	3,428	10	0			
University Residential Colleges	14,803	10	0			
Parliament House	3,633	16	1			
King's Bridge Restoration	37,519	2	6			
Royal South Street Society	20,000	0	0			
Municipalities and other public bodies	128,665	1	8			
				254,331	10	4
<i>Water Supply—</i>						
Euroa Sewerage Authority	13,089	0	0			
Wodonga Sewerage Authority	69,772	0	2			
Drouin Waterworks Trust	4,041	16	8			
Melton Waterworks Trust	3,261	13	4			
First Mildura Irrigation Trust	26,000	0	0			
Ballarat Water Commissioners	8,504	7	8			
Creswick Shire Council	3,088	15	0			
				127,757	12	10
<i>Railways—</i>						
Sandown Park Railway Station	70,704	2	7			
				70,704	2	7
TOTAL				452,793	5	9

APPENDIX B.

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

Department or Public Authority.	Nature of Stores.	Value as at 30th June, 1965.
1. Departments—		£
Agriculture	Machinery and Equipment Parts, Fuel, Seed, Publications ..	96,093
Chief Secretary—		
(a) Police Branch	Radio and Vehicle Parts, Clothing, Office Requisites ..	167,625
(b) Social Welfare Branch	Clothing, Bedding, Hardware, Materials for Manufacture ..	185,618
Crown Lands and Survey	Implements, Equipment, Plans, Photographic Materials ..	306,570
Education	School Requisites, Books, Equipment and Office Requisites	356,296
Forests	Vehicle Parts, Tools, Fuel	190,914
Health (including Mental Health Authority) ..	Furniture, Hardware, Instruments, Clothing, Drugs ..	393,245
Mines	Machinery, Tools, Tubing, Chemicals	212,804
Public Works	Mechanical and Electrical Equipment, Spare Parts, Furniture, Building Materials	396,929
Railways (including State Coal Mine)	Engineering, Refreshment Services, and General Stores ..	4,320,288
Treasurer—Government Printer	Paper, Stationery, Publications	505,623
Water Supply	Machinery Parts, Tools and General Stores	1,040,223
2. Public Authorities—		
Cancer Institute Board	Medical, Technical and General Stores	21,625
Council of Adult Education	Theatrical Equipment	7,885
Country Fire Authority	Fire Appliances, Hose, Spare Parts, Uniforms	40,890
Country Roads Board	Vehicle Parts and Accessories, Camping Equipment, General Stores	439,439
Egg and Egg Pulp Marketing Board	Eggs, Packing Materials, Spare Parts	178,827
Gas and Fuel Corporation	Gas Appliances, Fittings, and General Stores	1,868,984
Geelong Harbor Trust	Engineering and Maintenance Stores	32,278
Housing Commission	Building Materials, Spare Parts	208,909
Latrobe Valley Water and Sewerage Board ..	Construction Materials, Pipes, Spare Parts	25,867
Melbourne and Metropolitan Board of Works ..	Engineering Stores, Spare Parts, Pipes, Meters	1,680,000
Melbourne and Metropolitan Tramways Board ..	Engineering Stores and Parts, Uniforms, and Stationery ..	336,492
Melbourne Harbor Trust	Maintenance and Engineering Stores	404,946
Metropolitan Fire Brigades Board	Fire Appliances, Electrical and Engineering Stores, Uniforms	83,000
Monash University	Building Materials, Stationery, &c.	21,664
Portland Harbor Trust	Maintenance and Engineering Stores	41,513
Rural Finance and Settlement Commission ..	Constructional and General Stores	50,350
State Electricity Commission	Electrical, Maintenance, and Constructional Stores ..	3,635,435
State Relief Committee	Clothing, Bedding, Hardware, Provisions	71,845
Transport Regulation Board	Stationery and Office Requisites	8,593
University of Melbourne	Building Materials and Stationery	80,613
Victorian Inland Meat Authority	Livestock, Meat, Packing Materials, General Stores ..	72,117
	Total	17,483,500

APPENDIX C-1

ENDOWMENTS AND GRANTS.

	1963-64.	1964-65.	Increase + Decrease -
	£	£	£
Social—			
Alcoholism Foundation of Victoria	1,200	1,200	..
Alexander Miller Memorial Homes Trust	2,500	2,500	..
Australia Day Council	1,250	1,250	..
Australian Association of Social Workers—Victorian Branch ..	50	..	- 50
Australian Association for United Nations	500	1,000	+ 500
Australian Red Cross Society for After-care Treatment of Poliomyelitis Sufferers	16,000	16,000	..
Ballarat Youth Centre	800	800	..
Boys' Employment Movement	1,325	1,200	- 125
Boy Scouts Association	2,000	2,000	..
Bush Nursing	118,500	118,500	..
Children's Welfare Association of Victoria .. .. .	..	250	+ 250
Father and Son Welfare Movement	600	600	..
Girl Guides Association	2,000	2,000	..
Lord Mayor's Children's Camp Fund	5,000	5,000	..
Marriage Guidance Council of Victoria	1,000	1,000	..
National Fitness Council	19,000	19,000	..
National Safety Council	15,000	15,000	..
Occupational Therapy School	2,000	2,000	..
Old Peoples' Welfare Council of Victoria	1,000	1,000	..
Over Fifty Association	400	400	..
Playgrounds and Recreation Association of Victoria	6,000	6,000	..
Probation Officers' Association	250	250	..
Rotary Youth Club at Bendigo	500	500	..
Royal Humane Society	100	100	..
Royal Life Saving Society	5,000	7,000	+ 2,000
Royal Victorian College of Nursing	300	..	- 300
St. John Ambulance Brigade	4,000	4,000	..
Salvation Army	500	500	..
Science and Technology Careers Bureau	1,272	1,550	+ 278
State Relief Committee	22,000	22,000	..
Surf Life Saving Association of Australia	6,000	8,000	+ 2,000
Victorian Amateur Swimming Association	1,000	400	- 600
Victorian College of Pharmacy	27,500	35,000	+ 7,500
Victorian Council of Social Services	2,000	2,000	..
Victorian Family Council	500	500	..
Victorian Nursing Council—Training Schools for Nurses	12,000	12,000	..
Walter and Eliza Hall Research	18,000	18,000	..
Young Christian Workers Movement	1,000	1,000	..
Young Farmers' Clubs Association	15,000	15,700	+ 700
Young Men's Christian Association	2,000	2,000	..
Cultural—			
Bands	2,400	2,500	+ 100
Children's Free Libraries	5,000	5,000	..
Country Art Galleries	10,000	10,500	+ 500
Country Free Libraries	9,000	9,000	..
Cultural Development	68,045	70,045	+ 2,000
Municipal and Regional Libraries	403,410	413,063	+ 9,653
Orchestral Concerts	15,195	14,980	- 215
Victorian Symphony Orchestra	32,500	32,500	..
Sundry—			
Animal Welfare League	500	500	..
Australian Publicity Council	5,000	5,000	..
Ballarat Fish Acclimatization Society	1,200	1,200	..
British Commonwealth Day Movement	250	250	..
British Commonwealth Youth Sunday	4,058	3,998	- 60
British Memorial Foundation	100	100	..
Cemeteries, Improvement and Maintenance	7,000	7,000	..
Commonwealth Parliamentary Association—Victoria Branch	5,645	9,374	+ 3,729
Guide Dog Owners and Friends Association	500	500	..
Kerang Agricultural Research Farm	500	..	- 500

ENDOWMENTS AND GRANTS—*continued.*

	1963-64.	1964-65.	Increase + Decrease —
	£	£	£
<i>Sundry—continued</i>			
Macalister Research Farm Co-operative Ltd.	1,000	..	— 1,000
Melbourne Medical Post-Graduate Committee	2,000	2,000	..
National Association of Testing Authorities	350	350	..
National Council of Women of Victoria	1,000	1,000	..
National Trust of Australia (Victoria)	6,000	6,000	..
Phillip Island Koala Reserve Committee of Management	1,500	1,500	..
Royal Institute of Public Administration	250	250	..
Royal Society for the Prevention of Cruelty to Animals	750	750	..
Save the Forests Campaign	5,000	5,000	..
Standards Association of Australia	1,500	1,500	..
Trustees, Shrine of Remembrance	1,000	1,000	..
Victorian Breeders Co-operative Society Ltd. .. ..	..	5,000	+ 5,000
Victorian Field Game Shooters' Association	400	400	..
Victorian Piscatorial Council	960	1,214	+ 254
Victorian Rural Fire Brigades Association	1,000	1,000	..
War Nurses Memorial Centre	2,000	2,000	..
Water Research Foundation of Australia Ltd.	5,000	5,000	..
Women's Prison Council	50	50	..
Zoological Board of Victoria	20,000	20,000	..
Total	935,110	966,724	+ 31,614

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

APPENDIX C-2.

CULTURAL DEVELOPMENT ALLOCATIONS, 1964-65.

	£
All Nations Together Society	50
Ararat Drama Group	25
Astra Chamber Orchestral Society	600
Australian Boys' Choir	100
Australian Elizabethan Theatre Trust	25,000
Australian National Theatre Limited	20,000
Bacchus Marsh Players	50
Ballarat Ballet Guild	50
Ballarat Begonia Festival Committee	1,000
Ballarat Choral Society	50
Ballarat Civic Male Choir	50
Ballarat Light Opera Company	25
Ballarat Music Lovers' Club	50
Ballarat Orchestra Association	250
Balmoral Drama Group	25
Beaumaris Art Group	50
Beaumaris Players Club	50
Beechworth Music Group	50
Bendigo Competitions Society	700
Bendigo Music Advancement Society	250
Bendigo Music Lovers Club	75
Bendigo Shakespeare Literary Society	25
Berwick Drama Group	25
Boort Choristers	25
Boort Music, Literature and Arts Society	25
Box Hill City Drama Group	25
Bright Music and Drama Group	25
Brunswick City Choral Society	25
Camberwell City Philharmonic Society	100
Camperdown Musical Society	150
"Carols by Candlelight", Melbourne	500
Casterton Music Circle	50
Castlemaine Light Opera Company	50
Caulfield Players	50
Children's Theatre Guild	500
Colac Music Lovers' Club	75
Coleraine Choral Society	30
Contemporary Art Society of Australia	150
Dandenong Festival of Music and Art for Youth	1,250
Daylesford Highland Gathering Committee	500
Debaters Association of Victoria	100
Donald Music Literature and Art Society	25
Echuca Music Group	50
Essendon Society of Arts	50
Fellowship of Australian Writers (State of Victoria Short Story Award)	100
Fern Tree Gully and Mountain District Music and Arts Festival	150
Fern Tree Gully Arts Society	100
Footscray West End Eisteddfod	300
Foster Films, Art, Music and Drama Association	75
Frankston Theatre Group	150
Garrick Repertory Company	50
Geelong Association of Music and Art	500
Geelong Society of Operatic and Dramatic Art	200
Gilbert and Sullivan Society of Victoria	50
Goulburn Valley Drama Association	50
Hamilton Arts Council	300
Hamilton Music Club	50
Hartwell Eisteddfod Committee	100
Heidelberg City Choir	50
Heidelberg City Repertory Group	200
Horsham Dramatic Society	25
Jewish Society of Arts	50
Kerang Drama Group	25
Kerang Music Society	25
Kew Philharmonic Society	75
Korumburra Arts Society	50
Kyneton Choral Society	50

APPENDIX C-2—continued.

	£
Latrobe Valley Eisteddfod	200
Library Week Committee	100
Malvern Arts Council	50
Maryborough Arts Society	100
Melba Memorial Conservatorium of Music	750
Moe Mixed Choir	25
Moe Amateur Dramatic Company	25
Moomba Festival	2,000
Moorabbin City Theatre Group	25
Mordialloc City Philharmonic Society.. .. .	100
Mordialloc Eisteddfod	50
Mornington Eisteddfod	100
Morwell Art Group	25
Morwell Male Choir	25
Morwell Players	50
National Theatre Movement (Ballarat Branch)	300
National Theatre Movement (Swan Hill Branch)	300
Newtown and Chilwell Highland Gathering Committee	50
Nhill Musical and Drama Society	25
Northcote Dramatic Society	50
Orbost Drama Group	25
Oriana Madrigal Choir	50
Peninsula Arts Society	50
Pilgrim Theatre	75
Portland Council for the Encouragement of Music and the Arts	100
"Q" Theatre Guild	200
Red Cliffs Musical Society	25
Red Cliffs Players	25
Ringwood Arts and Crafts Society	50
Rochester Music and Drama Circle	25
St. Arnaud Drama Group	50
St. Arnaud Society for Enjoyment of Arts	25
St. John's Competitions Ballarat	125
Sale Arts Festival	300
Sale Eisteddfod Society	200
Sale Repertory Group	50
Sandringham Symphony Orchestra	100
Shepparton Dramatic Society	50
Shepparton Musical Advancement Society	150
Shepparton Symphony Orchestra	215
South Gippsland Music and Speech Festival	50
South Melbourne City Philharmonic Society	25
South Street Society	2,500
Stawell Choral Society	50
Strathmore Theatrical Arts Group	50
Terang Dramatic Society	25
Thespians (Yallourn) Dramatic Society	25
Thorpdale Drama Group	25
Toora Drama Group	25
Traralgon Music Drama and Art Society	150
Victorian Artists Society	500
Victorian Ballet Guild	1,000
Victorian Drama League	750
Victorian Highland Pipe Band Association	1,750
Victorian Light Opera Company	100
Wangaratta Arts Council	750
Wangaratta Eisteddfod Society	25
Wangaratta Players	50
Warrandyte Arts Association	150
Warrnambool City Musical Society	50
Wendouree Arts Council	25
Western District Eisteddfod	250
Williamstown Light Opera Company	100
Williamstown Little Theatre Movement	150
Wonkana Choral Society	50
Yallourn Little Theatre	50
Yallourn Orchestral and Choral Society	100

 70,045

EDUCATION DEPARTMENT

Comparative Analysis of Expenditure from Loan and Revenue etc.

NOTE:—1964-65 shown in heavy type.
1963-64 shown in light type.

	Adminis- tration	Central Schools and Classes	Corres- pondence School	Girls' Secondary Schools	High Schools	Higher Elementary Schools	Primary Schools	Registered Schools	Special Schools and Hostels attached thereto	Special Activities (Library, Music, Visual Education, &c.)	Technical Schools	Teachers' Colleges	Teachers' Colleges Hostels	Universi- ties	Pensions, &c.	Miscel- laneous	Total
EXPENDITURE.	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Salaries (including Pay-roll Tax) .. {	887,085	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	887,085
Salaries—Teachers (including Pay-roll Tax) .. {	823,914	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	823,914
Salaries—Teachers (including Pay-roll Tax) .. {	..	179,763	175,958	630,881	10,363,951	100,270	19,139,642	..	556,022	1,165,192	6,677,010	1,071,547	..	..	..	..	40,060,236
Salaries—Teachers, &c., in Charge of Hostels (including Pay-roll Tax) .. {	..	186,631	150,691	547,669	9,554,804	68,672	18,105,569	..	498,770	1,052,389	5,761,346	1,003,498	..	..	..	..	36,930,039
Salaries—Teachers, &c., in Charge of Hostels (including Pay-roll Tax) .. {	..	..	..	..	..	..	..	..	3,888	..	..	..	19,956	..	..	..	23,844
Salaries—Teachers, &c., in Charge of Hostels (including Pay-roll Tax) .. {	..	..	..	..	..	..	..	..	3,088	..	..	..	18,214	..	..	..	21,302
Salaries—Clerical Assistance (including Pay-roll Tax) .. {	..	5,929	13,083	16,936	269,475	..	5,780	..	..	24,135	..	36,997	3,382	..	..	..	375,717
Salaries—Clerical Assistance (including Pay-roll Tax) .. {	..	5,305	11,958	13,821	234,690	..	5,297	..	..	22,267	..	46,182	3,345	..	..	..	342,865
Wages—Domestic Staff .. {	..	..	..	..	..	..	..	..	8,436	9,100	..	..	185,449	..	..	..	202,985
Wages—Domestic Staff .. {	..	..	..	..	..	..	..	..	6,096	6,952	..	..	170,643	..	..	..	183,691
Allowances to Students in Training {	..	..	..	..	..	..	..	..	..	..	..	4,297,406	..	..	..	..	4,297,406
Allowances to Students in Training {	..	..	..	..	..	..	..	..	..	..	..	3,900,840	..	..	..	..	3,900,840
Buildings (including Residences), Furniture, &c. (including Maintenance) {	371,910	5,465	..	63,923	3,658,802	1,469	6,083,835	377,000	42,275	71	2,535,338	156,054	43,778	2,521,105	..	..	15,861,025
Buildings (including Residences), Furniture, &c. (including Maintenance) {	..	5,007	..	123,245	3,620,268	1,563	5,253,353	..	14,514	180	2,775,822	117,484	44,580	2,401,992	..	..	14,358,008
Buildings—Rentals .. {	..	..	..	419	3,239	..	9,155	..	..	..	4,168	..	1,215	..	..	..	18,196
Buildings—Rentals .. {	..	..	..	440	6,149	..	9,799	..	..	..	4,346	..	1,727	..	..	..	22,461
Travelling Expenses, Office Requisites, School Cleaning, Equipment, &c. {	247,934	30,778	23,300	63,900	1,050,822	10,107	1,392,355	536	49,875	131,126	600,202	158,880	..	570	..	..	3,760,385
Travelling Expenses, Office Requisites, School Cleaning, Equipment, &c. {	175,787	26,598	16,693	58,326	850,629	6,628	1,348,235	..	39,339	100,781	171,955	150,372	..	..	..	..	2,945,343
Domestic Arts and Manual Training—class materials, &c. {	..	447	1	26,990	205,283	2,425	13,441	..	2,805	259	91	1,039	..	..	..	..	252,781
Domestic Arts and Manual Training—class materials, &c. {	..	542	..	21,194	155,754	2,540	10,224	..	2,511	308	115	248	..	..	..	..	193,436
Conveyance of Pupils .. {	..	5,460	..	44,730	1,047,542	15,972	890,428	528,583	58,737	4,322	408,955	..	..	..	..	..	3,004,729
Conveyance of Pupils .. {	..	5,201	..	41,823	966,164	14,791	844,825	489,230	54,542	3,606	379,466	..	..	..	..	..	2,799,648
Bursaries, Scholarships, and Maintenance allowances .. {	1,214	2,721	8	35,634	382,827	2,470	2,183	356,248	172	..	174,566	1,271	..	12,320	..	..	971,634
Bursaries, Scholarships, and Maintenance allowances .. {	569	4,139	118	29,100	368,233	2,070	1,724	259,984	125	483	173,345	725	..	12,966	..	..	853,581
Fees—University and other .. {	..	..	..	..	..	..	..	..	..	..	..	165,404	..	..	..	..	165,404
Fees—University and other .. {	..	..	..	..	..	..	..	..	..	..	..	137,216	..	..	..	..	137,216
Teachers Tribunal .. {	20,169	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	20,169
Teachers Tribunal .. {	19,513	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	19,513

Grants	88,631	1,193	1,091	4,715	2,150	10,283	1,800	37,500	4,529,034	..	..	4,676,397
	87,814	300	891	..	2,550	6,767	200,000	32,500	3,209,100	..	..	3,539,922
Pensions and Superannuation to retired Teachers and Officers	..	..	..	..	..	..	..	..	..	..	..	1,321,774
	..	..	..	..	..	..	..	..	..	..	..	1,210,475
Costs of Text Books and other publications	..	..	..	..	..	..	..	..	..	..	..	78,307
	..	..	..	..	..	..	..	..	..	..	..	86,214
Allowances, Maintenance, &c. (under reciprocal arrangements with other States)	..	..	..	..	..	..	..	..	..	..	..	3,315
	..	..	..	..	..	..	..	..	..	..	..	3,084
Maintenance Grants—Technical Schools	..	..	..	..	..	..	..	..	..	..	..	3,350,613
	..	..	..	..	..	..	..	..	..	..	..	3,155,000
Miscellaneous	7,461	88,805	138,853	5,361	4,709	9,658	56,157	9,323	168,661	..	..	493,055
	6,900	82,997	150,329	8,051	8,051	24,293	49,807	8,772	189,113	..	..	533,757
Total Expenditure	1,624,404	17,071,939	27,676,763	1,267,082	729,069	1,354,146	13,808,900	5,935,421	7,063,029	81,622	79,825,057	72,060,309
	1,114,497	15,839,988	25,730,246	754,575	629,586	1,218,026	12,671,202	5,397,837	5,624,058	89,298	72,060,309	
RECEIPTS. (NET)												
Tuition Fees .. .. .	..	35,969	496	..	100	304	273	2,777	..	..	..	41,920
	..	22,032	1,138	..	..	..	92	1,357	..	..	..	27,553
Rents	3,702	42,504	114,046	..	849	1,183	17,682	2,229	..	..	..	183,027
	..	40,746	105,089	..	614	1,186	15,038	2,112	..	..	..	165,280
Students' Board .. .. .	..	..	..	..	3,142	12,660	..	..	..	..	..	256,407
	..	..	..	..	1,098	15,446	..	..	..	..	..	258,233
Sale of Text Books, &c. .. .. .	..	..	..	..	..	..	..	..	..	..	..	51,422
	..	..	..	..	..	..	..	..	..	..	..	54,207
Broken Bond payments	65,804	..	..	..	..	..	..	..	..	..	..	65,804
	64,808	..	..	..	..	..	..	..	..	..	..	64,808
Miscellaneous	22,937	1,330	2,789	2,439	..	6	1,283	644	..	..	..	31,700
	26,772	777	3,720	..	..	619	52	491	..	..	..	45,647
Total Receipts	92,443	79,803	117,331	2,439	4,091	14,153	19,238	5,650	..	..	51,572	630,280
	91,600	63,555	109,947	..	1,712	17,251	15,182	3,960	..	..	54,207	615,728
Net Expenditure	1,531,961	16,992,136	27,559,432	1,264,643	724,978	1,339,993	13,789,662	5,929,771	7,063,029	30,050	*79,194,777	71,444,581
	1,022,897	15,776,433	25,620,299	754,575	627,874	1,200,775	12,656,020	5,393,877	5,624,058	35,091	71,444,581	

* Includes £1,240,881 expended from State Grants (Science Laboratories and Technical Training) Trust Account 1964.

APPENDIX E.

SUMMARY OF RECEIPTS AND PAYMENTS FOR YEAR ENDED 30TH JUNE, 1965, OF AGRICULTURE DEPARTMENT—EDUCATIONAL, RESEARCH, AND EXPERIMENTAL INSTITUTIONS.

	Receipts.				Payments.				Net Cost.
	Students' Fees.	Sale of Produce, &c.	Rents and Other Receipts.	Total Receipts.	Salaries and Wages.	Maintenance and Other Working Expenses.	Capital Expenditure.	Total Payments.	
	£	£	£	£	£	£	£	£	£
Burnley Horticultural College ..	2,636	..	273	2,909	41,768	8,721	3,946	54,435	51,526
Dookie Agricultural College ..	37,527	18,142	13,048	68,717	145,098	75,069	34,740	254,907	186,190
Dookie Agricultural College Stock Trading Account ..	..	28,809	..	28,809	..	12,394	..	12,394	Cr.16,415
Glenormiston Dairy College ..	..	18,528	548	19,076	11,755	13,064	7,104	31,923	12,847
Longerenong Agricultural College	17,825	12,995	6,464	37,284	76,238	34,856	47,700	158,794	121,510
Longerenong Agricultural College Stock Trading Account ..	..	6,048	..	6,048	..	441	..	441	Cr. 5,607
School of Dairy Technology, Werribee ..	231	7,596	939	8,766	9,609	14,075	24,370	48,054	39,288
Ellinbank Dairy Research Centre	..	9,352	999	10,351	19,246	9,098	7,215	35,559	25,208
Potato Research Station, Healesville ..	..	1,610	170	1,780	14,101	7,280	7,172	28,553	26,773
Horticultural Research Station, Mildura ..	..	1,275	..	1,275	4,813	2,229	21,027	28,069	26,794
Tobacco Research Station, Myrtleford ..	..	1,432	277	1,709	4,657	2,008	250	6,915	5,206
Rutherglen Research Station ..	..	24,863	2,182	27,045	27,960	20,167	24,569	72,696	45,651
Rutherglen Viticultural Station	..	4,298	209	4,507	12,268	1,343	336	13,947	9,440
Horticultural Research Station, Scoresby ..	..	6,524	257	6,781	23,892	9,887	21,636	55,415	48,634
Horticultural Research Station, Tatura ..	..	18,829	2,967	21,796	23,752	14,503	9,414	47,669	25,873
Mallee Research Station, Walpeup ..	..	7,416	2,766	10,182	12,334	4,521	3,524	20,379	10,197
State Research Farm, Werribee	..	24,356	4,440	28,796	74,962	49,572	24,040	148,574	119,778
Pastoral Research Station, Hamilton ..	..	9,809	122	9,931	10,701	26,336	110,423	147,460	137,529
Irrigation Research Station, Kyabram ..	..	10,463	348	10,811	11,287	6,777	7,671	25,735	14,924
Vegetable Research Station, Frankston ..	..	..	..	..	..	..	286	286	286
Veterinary Research Station, Attwood ..	..	..	..	..	114	18	2,862	2,994	2,994
	58,219	212,345	36,009	306,573	524,555	312,359	358,285	1,195,199	888,626

Receipts and payments in respect of Trust Funds affecting the institutions have not been included in the above statement. The main item of receipt was £55,000 for the Tobacco Research Station at Myrtleford. Relevant expenditure from the Trust Funds amounted to £207,177.

Dookie and Longerenong Agricultural Colleges Stock Trading Accounts—The above statement does not include payments to Consolidated Revenue amounting to £26,500 (Dookie £22,000, Longerenong £4,500), being surplus funds in these Stock Trading Accounts (Act No. 6194, Section 9A (5) (b), as amended).

APPENDIX F.

Summary of particulars contained in Orders of His Excellency the Governor in Council pursuant to the provisions of Section 25 of the *Audit Act 1958*.

Vote.		Transferred—			
Division.	Sub-Division.	From Item.		To Item.	
		Item No.	Particulars.	Item No.	Particulars.
PARLIAMENT.					
2	2	2	Office requisites and equipment, printing and stationery	1	Travelling and subsistence
3	2	4	Postal and telephone expenses	1	
5	1	2	Office requisites and equipment, printing and stationery	1	Travelling and subsistence
6	2	3	Stores, tools and equipment, garden requisites, &c.	1	
		2	Salaries and allowances	3	Overtime and penalty rates
		3	Books and publications, other incidental expenses	1	Travelling and subsistence
DEPARTMENT OF PREMIER.					
7	2	1	Travelling and subsistence	4	Postal and telephone expenses
8	2	3	Books and publications, other incidental expenses	4	
8	2	5	Motor vehicles—Purchase and running expenses	4	
8	2	3	Books and publications, other incidental expenses	1	Travelling and subsistence
		7		7	Expenses of entertainment of visitors, etc., late sittings of Parliament, funerals, memorials, &c.
		5	Motor vehicles—Purchase and running expenses	2	Office requisites and equipment, printing and stationery
		6		4	Postal and telephone expenses
		6	Publicity	7	Expenses of entertainment of visitors, etc., late sittings of Parliament, funerals, memorials, &c.
9	1	1	Salaries and allowances	8	Air travel of Members of Parliament, Ministers, &c., fares over Commonwealth Railways
9	2	1	Travelling and subsistence	7	Expenses of entertainment of visitors, etc., late sittings, of Parliament, funerals, memorials, &c.
10	2	3	Books and publications, other incidental expenses	2	Overtime and penalty rates
10	2	5	Motor vehicles—Purchase and running expenses	2	Office requisites and equipment, printing and stationery
10	2	1	Travelling and subsistence	2	
10	2	2	Office requisites and equipment, printing and stationery	6	Fuel, light, power and water
10	2	3	Books and publications, other incidental expenses	6	Postal and telephone expenses
10	2	7	Publicity	5	Motor vehicles—Purchase and running expenses
11	2	3	Books and publications, other incidental expenses	4	
11	2	7	Books and publications, other incidental expenses	5	Motor vehicles—Purchase and running expenses
11	2	3	Books and publications, other incidental expenses	5	
11	2	3	Books and publications, other incidental expenses	2	Office requisites and equipment, printing and stationery
12	2	2	Expenses of office (Agent-General)	3	Rent, &c., of residence for use of Agent-General
13	2	1	Travelling and subsistence	2	Office requisites and equipment, printing and stationery
13	2	5	Examination expenses—Including fees to examiners and supervisors	2	
14	2	2	Office requisites and equipment, printing and stationery	1	Travelling and subsistence
14	2	2	Office requisites and equipment, printing and stationery	3	Books and publications, other incidental expenses
DEPARTMENT OF CHIEF SECRETARY.					
15	2	3	Books and publications, other incidental expenses	1	Travelling and subsistence
15	3	2	Expenses in connexion with censorship of films	4	Premiums Committee—(<i>Motor Car Act 1958</i> , No. 6325)—Expenses
15	3	2	Expenses in connexion with censorship of films	4	
15	3	2	Expenses in connexion with censorship of films	4	
16	2	3	<i>Building Societies (Amendment) Act 1961</i> , No. 6765—Expenses	1	Commissions and Boards of Enquiry
16	2	5	Allowances to ex-members and dependants of ex-members of the Police Force	1	
16	2	2	Office requisites and equipment, printing and stationery	3	Travelling and subsistence
17	2	5	Motor vehicles—Purchase and running expenses	1	Books and publications, other incidental expenses
17	2	6	Materials and equipment	3	Books and publications, other incidental expenses
17	2	6	Materials and equipment	1	Travelling and subsistence
17	2	6	Materials and equipment	2	
18	1	2	Overtime and penalty rates	1	Office requisites and equipment, printing and stationery
18	2	2	Office requisites and equipment, printing and stationery	1	Salaries and allowances
18	2	2	Office requisites and equipment, printing and stationery	4	Travelling and subsistence
18	2	2	Office requisites and equipment, printing and stationery	1	Postal and telephone expenses
18	2	2	Office requisites and equipment, printing and stationery	6	Materials and equipment
18	2	2	Office requisites and equipment, printing and stationery	6	
18	2	2	Office requisites and equipment, printing and stationery	6	
19	2	5	Motor vehicles—Purchase and running expenses	3	Books and publications, other incidental expenses
19	2	5	Motor vehicles—Purchase and running expenses	3	Salaries and allowances
24	1	2	Overtime and penalty rates	1	Office requisites and equipment, printing and stationery
24	2	3	Books and publications, other incidental expenses	2	
24	2	3	Books and publications, other incidental expenses	2	
24	2	5	Motor vehicles—Purchase and running expenses	2	Overtime and penalty rates
26	1	1	Salaries and allowances	2	Overtime and penalty rates
27	1	1	Salaries and allowances	2	Overtime and penalty rates
27	1	1	Salaries and allowances	3	Payments in lieu of long service leave
28	1	1	Salaries and allowances	7	Stores provisions, plant, equipment and other expenses of governmental institutions homes and hostels..
28	2	2	Office requisites and equipment, printing and stationery	7	
28	2	3	Books and publications, other incidental expenses	7	
28	2	4	Postal and telephone expenses	7	Travelling and subsistence
28	2	4	Postal and telephone expenses	1	
28	2	5	Motor vehicles—purchase and running expenses	7	
28	2	6	Fuel, light, power and water	7	Stores, provisions, plant, equipment and other expenses of governmental institutions homes and hostels
28	2	6	Fuel, light, power and water	7	
28	2	6	Fuel, light, power and water	7	
28	2	6	Fuel, light, power and water	2	Rail travel for parents visiting wards in institutions
29	1	1	Salaries and allowances	2	Overtime and penalty rates
29	1	1	Salaries and allowances	3	Payments in lieu of long service leave
29	1	1	Salaries and allowances	7	
29	2	1	Travelling and subsistence	7	Stores, provisions, plant, equipment and other expenses of governmental institutions homes and hostels
29	2	2	Office requisites and equipment, printing and stationery	7	
29	2	3	Books and publications, other incidental expenses	7	
29	2	4	Postal and telephone expenses	7	
29	2	4	Postal and telephone expenses	7	
29	2	6	Fuel, light, power and water	5	Motor vehicles—Purchase and running expenses
29	2	6	Fuel, light, power and water	5	
29	2	6	Fuel, light, power and water	5	
29	2	8	Expenses including grants and subsidies in connexion with State wards, youth trainees and young persons formerly accommodated in institutions in private board non-government institutions and hostels	7	Stores, provisions, plant, equipment and other expenses of governmental institutions homes and hostels..
29	2	8	Expenses including grants and subsidies in connexion with State wards, youth trainees and young persons formerly accommodated in institutions in private board non-government institutions and hostels	7	
29	2	9	Allowances to trainees	7	

APPENDIX F—continued

Vote.		Transferred—				
Division.	Sub-Division.	From Item.		To Item.		
		Item No.	Particulars.	Item No.	Particulars.	
DEPARTMENT OF CHIEF SECRETARY—continued.						
						£
30	1	1	Salaries and allowances	2	Overtime and penalty rates	18,725
..	2	2	Office requisites and equipment, printing and stationery	3	Payments in lieu of long service leave	1,737
..	..	4	Postal and telephone expenses	3	Books and publications, other incidental expenses	15
..	..	6	Fuel, light, power and water	3		1,102
..	..	8	Materials for manufacture	3		3,237
				1	Travelling and subsistence	1,750
				5	Motor vehicles—Purchase and running expenses	2,618
				7	Stores, provisions, equipment and other expenses of gaols, penal establishments and prison farms	369
31	1	2	Overtime and penalty rates	1	Salaries and allowances	433
..	2	4	Postal and telephone expenses	1	Travelling and subsistence	18
..	..	5	Motor vehicles—Purchase and running expenses	1		71
32	1	1	Salaries and allowances	2	Overtime and penalty rates	3,163
..	2	1	Travelling and subsistence	2		2
..	..	4	Books and publications, other incidental expenses	2	Office requisites and equipment, printing and stationery	28
..	..	4	Postal and telephone expenses	2		36
..	..	5	Motor vehicles—Purchase and running expenses	2		197
..	3	1	Advances to probationers	2	Adult Parole Board—Expenses and fees to members	53
..	..	4	Youth Parole Board—Expenses and fees to members	2		26
33	1	1	Salaries and allowances	2	Overtime and penalty rates	130
..	2	2	Office requisites and equipment, printing and stationery	1		138
..	..	5	Motor vehicles—Purchase and running expenses	1	Travelling and subsistence	109
..	..	6	Fuel, light, power and water	1		8
..	..	8	Radio, photographic and scientific equipment and materials including installation of communications relative to D 24	1		715
				3	Books and publications, other incidental expenses	100
..	..	10	Transport of prisoners, search parties and traffic schools—Travelling expenses, &c.	4	Postal and telephone expenses	1,000
..	..	11	Training equipment and materials	1	Travelling and subsistence	745
..	..	12	Burials	4	Postal and telephone expenses	1,000
..	..	13	Provisions for police hospital	1		482
..	..	14	Allowance to the Medical Officer of the Police Force	1	Travelling and subsistence	323
..	..	15	Police Long Service and Good Conduct Medals	1		1
35	1	1	Salaries and allowances	1		84
36	1	1	Salaries and allowances	1		76
..	2	2	Office requisites and equipment, printing and stationery	3	Payments in lieu of long service leave	216
37	1	2	Payments in lieu of long service leave	2	Overtime and penalty rates	376
38	1	1	Salaries and allowances	3	Payments in lieu of long service leave	917
..	2	5	Motor vehicles—Purchase and running expenses	1	Travelling and subsistence	58
39	1	2	Overtime and penalty rates	1	Salaries and allowances	91
40	2	1	Travelling and subsistence	2	Office requisites and equipment, printing and stationery	100
..	3	3	Grants to rural municipalities and regional library centre developmental grant	4	Subsidies to municipalities towards municipal free libraries	1,000
41	1	2	Overtime and penalty rates	1	Salaries and allowances	682
..	2	7	Provisions, laundry and other expenses of Migrant Reception Centre	1	Travelling and subsistence	1,400
				3	Books and publications, other incidental expenses	200
DEPARTMENT OF LABOUR AND INDUSTRY.						
						£
42	1	2	Salaries and allowances	3	Overtime and penalty rates	69
..	2	3	Books and publications, other incidental expenses	4	Payments in lieu of long service leave	827
..	..	4	Postal and telephone expenses	6		269
..	..	5	Motor vehicles—Purchase and running expenses	6	Expenses of Boards and Industrial Appeals Court	319
..	3	5	Fusion Welders' Board—Fees and other expenses	6		81
				1	Travelling and subsistence	500
				2	Industrial Appeals Court—Remuneration of President, Deputy President, Members and Deputy Members	118
DEPARTMENT OF EDUCATION.						
						£
43	1	2	Salaries and allowances	3	Overtime and penalty rates	6,023
..	2	1	Travelling and subsistence	4	Payments in lieu of long service leave	95,938
..	..	2	Books and publications, other incidental expenses	13	Allowances to school cleaners, groundsmen and boilermen	8
..	..	3	Postal and telephone expenses	11	Expenses in connexion with examinations	6,304
..	..	4	Motor vehicles—Purchase and running expenses	13		4,731
..	..	5	School and office equipment (including subsidies) and school and office requisites including equipment, &c., for Registered schools (to be recouped), printing and stationery	13		15
..	..	6	School maintenance—Towards cleaning, fuel, light, postage and other minor items, sanitary and other rates	13	Allowances to school cleaners, groundsmen and boilermen	2,483
..	..	7	Visual education	13		3,509
..	..	8	Domestic Arts	13		82
..	..	9	Manual training	13		1,087
..	..	10	Libraries and subsidies for libraries	13		178
..	..	12	Refunds of school fees, rents, &c.	13		19
..	3	3	Allowances to students in training	4	Provision of bus services and pupils' travelling allowances	12
				5(a)	Expenses in connexion with hostels attached to Teachers' Colleges, Training Centres or Special Schools	818
				20	Adult Education Fund—To supplement annual appropriation	56,730
				22	Towards expenses of conducting a school by the Victorian Committee for the promotion of Oral education of the Deaf	4,304
44	2	2	Office requisites and equipment, printing and stationery	3	Books and publications, other incidental expenses	731
				3		183
DEPARTMENT OF ATTORNEY-GENERAL.						
						£
45	1	2	Salaries and allowances	3	Overtime and penalty rates	588
..	2	8	Payments to Jurors—Compensation and travelling expenses	4	Payments in lieu of long service leave	479
				1	Travelling and subsistence	3,644
				2	Office requisites and equipment, printing and stationery	224
				3	Books and publications, other incidental expenses	1,046
				6	Fuel, light, power and water	3,355
				7	Allowances to witnesses	1,549
				9	Professional assistance	2,301

APPENDIX F—continued

Vote.		Transferred—				
Division.	Sub-Division.	From Item.		To Item.		
		Item No.	Particulars.	Item No.	Particulars.	
DEPARTMENT OF ATTORNEY-GENERAL—continued.						
45	2	8	Payments to Jurors—Compensation and travelling expenses— <i>continued</i>	10	Costs payable by the Crown	£ 8,023
				11	Appearance fees—Prosecutors for the Queen	131
				12	Costs—Companies (Special Investigations)	4,672
46	2	13	Refunds of Jury fees	10	Costs payable by the Crown	1,734
		2	Office requisites and equipment, printing and stationery	1	Travelling and subsistence	1
		4	Postal and telephone expenses	1		149
		9	Refunds of fines	1		670
47	2	2	Office requisites and equipment, printing and stationery	1	Travelling and subsistence	1,694
				3	Books and publications, other incidental expenses	282
48	2	3	Books and publications, other incidental expenses	6	Fuel, light, power and water	1,379
49	1	3	Payments in lieu of long service leave	1	Travelling and subsistence	32
	2	2	Office requisites and equipment, printing and stationery	1	Salaries and allowances	321
				3	Books and publications, other incidental expenses	36
		5	Publicity	1	Travelling and subsistence	186
				3	Books and publications, other incidental expenses	139
DEPARTMENT OF TREASURER.						
50	2	2	Office requisites and equipment, printing and stationery	1	Travelling and subsistence	£ 25
		3	Books and publications, other incidental expenses	1		26
		4	Postal and telephone expenses	1		146
		6	Refunds of moneys unclaimed over six years and transferred to the Consolidated Revenue	5	Motor vehicles—Purchase and running expenses	50
	3	1	Unforeseen expenditure	8	Refunds of moneys paid for permits, licences, penalties, stamp duties, &c.	1,024
		2	Payment to New Zealand Government in respect of subscriptions in New Zealand to Tattersall Consultations	3	Estate Agents Committee—Fees and expenses	311
				6	Cost of supplying copies of Statutes, <i>Government Gazette</i> , &c., to other Governments, &c.	402
				8	Refunds of moneys paid for permits, licences, penalties, stamp duties, &c.	9,016
				20	Somerton—Campbellfield—Fawkner Transport Trust—payment to	140
				26	Railway passes and freight, &c.	1,500
				31	For cultural development and grants in connexion therewith	45
		4	Country Racing Clubs Fund Committee—Expenses	8	Refunds of moneys paid for permits, licences, penalties, stamp duties, &c.	30
		5	Exchange on overseas remittances—other than debt charges	8		534
		7	Interest on deposits, &c.	8	To supplement annual subsidy to the Royal Mint	207
		9	Cost of cash deliveries by armoured car services	11		4,314
		10	Towards cost of maintenance of ex-Guncotton Factory Area at Ballarat	11		116
		13	States contribution to Coal Mine Workers' Pensions Fund	11		17
		15	Allowances to sufferers from miners' phthisis and expenses in connexion therewith	11	Life rail passes to ex-Ministers of the Crown	150
		17	Rail passes to incapacitated and blinded ex-members of the Defence Forces	25		1,822
		21	Payment to Railways Department in respect of Whittlesea—Melbourne road and rail co-ordinated service	11		308
		22	Recoup to Railway Department in accordance with <i>Kerang and Koondrook Tramway Act 1951 No. 5591, Section 7 (2)</i>	11	To supplement annual subsidy to the Royal Mint	3,188
		24	Rail passes to Members (Opening of Parliament), visitors, officers of Parliament, &c.	11		141
		27	Rent subsidy to Housing Commission in respect of houses let to Mesdames A. M. Bicker, C. M. May and H. Van der Kruys	11		736
		32	Payment to Government of Tasmania in respect of subscriptions received by accredited representatives in Tasmania to Tattersall Consultations	11		83
		39	La Trobe University—Grant	8	Refunds of moneys paid for permits, licences, penalties, stamp duties, &c.	62
52	2	5	Transport and other cartage expenses including stacking, cooerage and bond storage charges	4	Postage and telephone expenses	3,749
53	1	2	Overtime and penalty rates	1	Salaries and allowances	48,500
54	2	5	Medical examination fees	4		20
55	2	1	Travelling and subsistence	1	Salaries and allowances	140
56	1	2	Overtime and penalty rates	1	Travelling and subsistence	15
	2	3	Books and publications, other incidental expenses	3	Books and publications, other incidental expenses	50
57	1	2	Office requisites and equipment, printing and stationery	5	Motor vehicles—Purchase and running expenses	60
	2	2	Office requisites and equipment, printing and stationery	2	Salaries and allowances	838
		4	Postal and telephone expenses	6	Commission on sale of duty stamps, &c.	5,000
		5	Motor vehicles—Purchase and running expenses	1	Travelling and subsistence	21
		6	Salaries and allowances	3	Books and publications, other incidental expenses	386
		7	Purchase of paper and material and other printing costs	6	Commission on sale of duty stamps, &c.	210
				6		1,212
				6		43
58	1	1	Salaries and allowances	2	Overtime and penalty rates	14,185
	2	2	Office requisites and equipment, printing and stationery	3	Payments in lieu of long service leave	1,605
				3	Travelling and subsistence	800
				4	Postal and telephone expenses	2,000
				5	Motor vehicles—Purchase and running expenses	200
				6	Fuel, light, power and water	2,600
DEPARTMENT OF CROWN LANDS AND SURVEY.						
58	1	2	Salaries and allowances	4	Payments in lieu of long service leave	£ 1,716
	2	2	Office requisites and equipment, printing and stationery	1	Travelling and subsistence	2,911
				3	Books and publications, other incidental expenses	30
				8	Expenses in connexion with surveys of land other than staff surveys	650
				9	Fees for registration of powers of attorney and liens on crops registration and discharge of mortgages, commission on sales of land, commission on royalties	50
		4	Postal and telephone expenses	1	Travelling and subsistence	13
		5	Motor vehicles—Purchase and running expenses	1		25
58	3	3	Rebates to purchasers of wire netting whose holdings adjoin unoccupied Crown lands	8	Maintenance, improvement and management of Buchan Caves and Park	250
59	1	1	Salaries and allowances	3	Payments in lieu of long service leave	936
	2	2	Office requisites and equipment, printing and stationery	7	Tools, equipment, materials, &c.	150
		3	Books and publications, other incidental expenses	1	Travelling and subsistence	150
				7	Tools, equipment, materials, &c.	100
				7		300
		5	Motor vehicles—Purchase and running expenses	7		50
		6	Fuel, light, power and water	4	Postal and telephone expenses	50

APPENDIX F—continued

Vote.		Transferred—			
Division.	Sub-Division.	From Item.		To Item.	
		Item No.	Particulars.	Item No.	Particulars.
DEPARTMENT OF PUBLIC WORKS.					
60	1	3	Overtime and penalty rates	2	Salaries and allowances
..	..	4	Payments in lieu of long service leave	2	.. .. .
..	3	1	Public Offices and Buildings—Lighting, heating, cleaning and other maintenance expenses, minor repairs	6	Murray levees—Extension repairs and other expenses
..	..	2	Rents and allowances in lieu thereof	6	.. .. .
..	..	9	Government House and Grounds, Melbourne—Furniture, fittings, repairs, renewals, fuel, light, &c., including contribution towards domestic services	3	Municipal and other authorities—Rates and charges and other expenses
..	..	..	.. .. .	4	Telephonic communications—Provision, maintenance and other expenses
..	..	..	.. .. .	6	Murray levees—Extension repairs and other expenses
61	1	1	Salaries and allowances	7	Other public works
..	2	1	Travelling and subsistence	3	Payments in lieu of long service leave
..	3	3	Marine surveys—Expenses	4	Postal and telephone expenses
..	..	4	Life saving services—Purchase and maintenance of equipment and other expenses including life-boat and rocket practice allowances	1	.. .. .
..	..	5	Marine Board—Fees and other expenses	1	Wharves, jetties, sheds and other harbor works—Repairs, maintenance and other expenses, including Wharf Managers' allowances
DEPARTMENT OF LOCAL GOVERNMENT.					
63	1	2	Payments in lieu of long service leave	1	Salaries and allowances
..	2	1	Travelling and subsistence	2	.. .. .
..	..	4	Postal and telephone expenses	2	Office requisites and equipment, printing and stationery
..	..	5	Motor vehicles—Purchase and running expenses	2	.. .. .
..	..	..	.. .. .	3	Books and publications, other incidental expenses
DEPARTMENT OF MINES.					
64	1	2	Salaries and allowances	3	Overtime and penalty rates
64	2	4	Postal and telephone expenses	1	Travelling and subsistence
..	3	5	State batteries—Equipment, construction, removal, maintenance and running expenses	1	Engine Drivers' and Sludge Abatement Boards—Fees and other expenses
DEPARTMENT OF FORESTS.					
65	2	8	Rent	11	Pay-roll tax
..	3	2	State Sawmill—Working expenses	1	Utilization of forests produce
DEPARTMENT OF WATER SUPPLY.					
66	2	1	Travelling and subsistence	2	Office requisites and equipment, printing and stationery
..	..	..	.. .. .	3	Books and publications, other incidental expenses ..
..	..	4	Postal and telephone expenses	9	River gaugings, investigations, soil surveys, &c. ..
..	..	5	Fuel, light, power and water	3	.. .. .
..	..	7	Rent	3	.. .. .
..	..	8	Contour surveys, private services, tapping mains, excavator hire and other recoverable expenses	3	Books and publications, other incidental expenses ..
..	..	10	Central workshops and storeyards	3	.. .. .
..	..	11	Repairs and maintenance of buildings	1	.. .. .
..	3	5	Removal of sand drift	2	Coliban—Materials and other expenses
..	..	7	Subsidies to sewerage authorities in cases where the the interest paid on capital liability is in excess of the rate 3 per cent.	10	Irrigation, water supply and drainage districts—Materials and other expenses
DEPARTMENT OF AGRICULTURE.					
67	2	1	Travelling and subsistence	5	Motor vehicles—Purchase and running expenses ..
..	..	7	Payments to officers in connexion with investigations carried out whilst travelling overseas	3	Books and publications, other incidental expenses
..	3	2	State Agricultural Laboratory—Equipment and running expenses	3	.. .. .
..	..	4	Information Branch—Equipment, materials and other expenses	1	.. .. .
..	..	5	Farm survey research	1	Victoria Dock Cool Stores—Equipment and running expenses
..	..	8	Contribution to costs of Tractor Testing Station, Werribee	1	.. .. .
..	..	10	Award for outstanding contribution to the improvement of agricultural machinery	1	.. .. .
68	2	1	Travelling and subsistence	3	Books and publications, other incidental expenses
..	3	5	Agricultural Education Cadetship	4	Motor vehicles—Purchase and running expenses ..
..	..	..	.. .. .	3	Dairy College, Glenormiston—Equipment, livestock and running expenses
69	2	2	Office requisites and equipment, printing and stationery	1	Travelling and subsistence
..	..	3	Books and publications, other incidental expenses ..	1	.. .. .
..	..	6	Fuel, light, power, and water	4	Postal and telephone expenses
..	..	7	Inspection of produce	1	.. .. .
..	..	8	Lectures, demonstrations and exhibitions	1	Travelling and subsistence
..	3	9	Irrigated pasture experiments	3	Potato Research Station, Healesville—Equipment, livestock and running expenses
..	..	10	Agricultural experimental and extension work	4	Irrigation Research Station, Kyabram—Equipment, livestock and running expenses
70	1	1	Salaries and allowances	3	Payments in lieu of long service leave
..	2	3	Books and publications, other incidental expenses	1	Travelling and subsistence
..	..	5	Motor vehicles—Purchase and running expenses ..	1	.. .. .
..	..	6	Fuel, light, power and water	2	Office requisites and equipment, printing and stationery
..	3	2	Horticultural Research Station, Tatura—Equipment, plants, seeds, &c., and running expenses	3	Horticultural Research Station, Scoresby—Equipment, plants, seeds, &c., and running expenses
..	..	8	Horticultural Scholarships and Cadetships	3	.. .. .
..	..	10	Market News Service—Expenses	3	.. .. .
..	..	..	.. .. .	4	Horticultural Research Station, Mildura—Equipment, plants, seed, &c., and running expenses
71	1	2	Overtime and penalty rates	6	Horticultural experimental and extension work
..	..	3	Payments in lieu of long service leave	1	Salaries and allowances
..	2	8	Compensation under the <i>Cattle Compensation Act</i> 1958 No. 6216	1	.. .. .
..	..	..	.. .. .	2	Office requisites and equipment, printing and stationery
..	..	..	.. .. .	3	Books and publications, other incidental expenses ..
..	3	4	Poultry and testing accreditation	9	Compensation under the <i>Swine Act</i> 1958, No. 6389 ..
..	..	5	Livestock experimental and extension work	1	.. .. .
..	..	6	Veterinary scholarships and cadetships	1	Animal Husbandry Research Centre, Werribee—Equipment, livestock, and running expenses
..	..	7	Contribution towards cost of research into facial eczema in sheep	1	.. .. .
..	..	..	.. .. .	3	Pastoral Research Station, Hamilton—Equipment, livestock and running expenses

APPENDIX F—continued

Vote.		Transferred.			
Division.	Sub-Division.	From Item.		To Item.	
		Item No.	Particulars.	Item No.	Particulars.
DEPARTMENT OF HEALTH.					
73	1	3	Overtime and penalty rates	2	Salaries and allowances
..	2	1	Travelling and subsistence	2	Office requisites and equipment, printing and stationery
..	..	4	Postal and telephone expenses	6	Medical and dental expenses, &c., at penal establishments
..	..	5	Motor vehicles—purchase and running expenses	6	Books and publications, other incidental expenses
74	1	2	Overtime and penalty rates	1	Salaries and allowances
..	2	5	Motor vehicles—Purchase and running expenses	8	Veneral diseases
..	..	11	Poliomyelitis and allied diseases—Maintenance, treatment and after-care of sufferers and training of personnel for such work	1	Travelling and subsistence
..	..	13	Proprietary medicines—Expenses (including fees of members of committee)	8	Veneral diseases
..	3	2	Subsidies to Municipalities, &c., towards home help schemes (including direct assistance)	3	Books and publications, other incidental expenses
75	1	1	Salaries and allowances	14	Veneral diseases
76	2	3	Books and publications, other incidental expenses	15	Clean-Air—Expenses (including fees of members of committee)
..	..	9	Expenses in connexion with infant welfare and pre-school scholarships	3	Poisons Information Centre—Expenses
..	3	2	Subsidies towards cost of maintaining creches and day nurseries	3	To meet cost of travel on State owned transport for people of limited means requiring treatment at public hospitals
77	1	1	Salaries and allowances	2	Payments in lieu of long service leave
..	2	6	Fuel, light, power and water	4	Postal and telephone expenses
				6	Ante-Natal Clinics—Sessional fees and expenses of medical officers and nurses
				8	Medical, dental and pharmaceutical expenses in connexion with children under care of Social Welfare Branch of Chief Secretary's Department
				1	Travelling and subsistence
				3	Consultative Council on Maternal Mortality—Fees and other expenses
				2	Overtime and penalty rates
				3	Payments in lieu of long service leave
				2	Office requisites and equipment, printing and stationery
				5	Motor vehicles—Purchase and running expenses
DEPARTMENT OF RAILWAYS.					
81	1	2	Way and Works Branch	1	Traffic Branch and Commercial Branch
..	..	4	Electrical Engineering Branch	1	
..	..	5	Stores Branch	1	