

1951-52
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VICTORIA

ANNUAL REPORT
OF THE
SOLDIER SETTLEMENT COMMISSION
FOR THE
YEAR ENDED 30th JUNE, 1951

PRESENTED TO BOTH HOUSES OF PARLIAMENT PURSUANT TO THE PROVISIONS OF SECTION 16 OF
THE SOLDIER SETTLEMENT ACT 1945.

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REPORT.

Soldier Settlement Commission,
Melbourne, C.2.

31st October, 1951.

The Honorable the Minister of Lands.

SIR,

The Soldier Settlement Commission has the honour to transmit to you herewith, pursuant to Section 16 of the *Soldier Settlement Act* 1945, its Annual Report and Balance-sheet for the year ended the 30th June, 1951.

GENERAL SETTLEMENT IN ACCORDANCE WITH THE WAR SERVICE LAND SETTLEMENT AGREEMENT.

(a) War Service Land Settlement Agreement.

As you are aware, the War Service Land Settlement Agreement, which was ratified in the *Soldier Settlement Act* 1946, was invalidated in December, 1949, as a result of a High Court decision in the case of *P. J. Magennis Proprietary Limited v. the Commonwealth and others*.

Although a number of discussions have taken place since then on the substitution of a new Agreement finality in this matter has not yet been reached. The provisions of the invalidated Agreement so far as they relate to matters other than those concerning the valuations of settlers' holdings are being observed and on the 24th May last a conference was called in Canberra by the Minister for the Interior in a further endeavour to determine this valuation question.

Although unanimity was not reached at this conference it is understood that the Minister for the Interior will forward a new proposal concerning the financial contribution to be made by the Commonwealth Government in connection with the valuation of holdings under the General Land Settlement Scheme. When this proposal has been received and has been carefully analysed it will be referred to you for consideration by the Government.

It is stressed that the long delay in reaching agreement on the valuation question has not made it possible for the Commission to advise each settler of his financial responsibility when his "assistance period" finishes. This is causing dissatisfaction amongst settlers and at the same time the continued valuation uncertainty is embarrassing to the Commission which has been forced to allow arrears of valuation work to accumulate pending finality with the Commonwealth being reached.

Although the invalidated Agreement provides that the conditions of tenure on which a holding is to be held by a settler shall be determined by the State, there appears to be little doubt that when the Agreement was drafted Perpetual Leasehold tenure was generally envisaged. As Victoria is the only State in the Commonwealth which at present provides for Freehold tenure you will appreciate that the question of arriving at a suitable basis with the Commonwealth for carrying out the valuation of settlers' holdings is a much more difficult one to solve than would be the case in the other States.

A suggested draft Agreement to replace the invalidated Agreement was received from the Commonwealth Government in March last and as soon as agreement can be reached with the Commonwealth on the question of valuation of holdings certain variations to the proposed new Agreement will be necessary so far as Victoria is concerned.

(b) Classification of Applicants as to Eligibility and Suitability.

The invalidated Agreement provides that an eligible person may apply to participate under the Scheme not more than five years after—

- (i) the second day of September, 1945; or
- (ii) the date when he ceased to be engaged on War service, whichever is the later.

As a result of wide publicity given by the Commission concerning the closing dates for the receipt of applications, a further 1,776 ex-servicemen applied for classification as to eligibility and suitability during the year under review, bringing the total number of such applications lodged to 15,778. Of the applicants concerned, 14,042 have been interviewed by Classification Boards and have been classified in the following categories:—

Suitable for farm ownership	10,450
Classification deferred pending applicants gaining further experience	1,584
Unsuitable, withdrawn, deferred (other reasons than above), and ineligible	2,008

2,218 of those applicants classified as suitable for settlement have been financially assisted under the Commission's Single Unit Farm scheme and 1,669 have been allotted holdings under the general subdivisional scheme but as only 4,753 individual applicants have applied for these holdings it will be seen that some 3,500 suitably classified applicants have given no further indication of their desire for settlement.

(c) *Acquisition of Lands.*

With the boom prices ruling for all farm and station produce, particularly wool, the acquisition of land suitable for settlement purposes has become increasingly difficult. As previously pointed out in earlier reports, the higher land acquisition costs will considerably increase the amount which it will be necessary to write off when settlers' holdings are valued. The statement appended sets out the acquisitions made during the various periods quoted—

Land acquired prior to 1st July, 1947	233,208 acres for £2,134,554
Land acquired during the period 1st July, 1947, to 30th June, 1948	312,384 acres for £2,812,176
Land acquired during the period 1st July, 1948, to 30th June, 1949	106,566 acres for £1,022,397
Land acquired during the period 1st July, 1949, to 30th June, 1950	79,994 acres for £1,175,313
Land acquired during the period 1st July, 1950, to 30th June, 1951	85,826 acres for £2,018,018
	817,978 acres for £9,162,458

The Commission has also taken over 25,468 acres of Crown lands for settlement purposes. Further investigations were also made by the Commission, Department of Agriculture, and the Commonwealth Scientific and Industrial Research Organization regarding the suitability of certain other Crown land areas in Victoria. One area in Gippsland has been accepted as suitable for settlement and it is confidently anticipated that experiments will prove that a further large area in the Western District will also be regarded as suitable.

(d) *Subdivision and Allocation of Land.*

A further 348 holdings comprising 131,114 acres have been subdivided and made available for application during the period in question, bringing the totals to 1,669 holdings and 704,549 acres respectively. Of these holdings, 1,569, totalling 656,668 acres have been allotted and over 90 per cent. of the successful applicants are in occupation of the holdings allotted to them. The balance will enter into occupation as soon as their block boundaries have been marked on the ground so that fencing may proceed.

(e) *Development and Improvement of Settlers' Holdings.*

In carrying out initial essential improvements on settlement holdings allocated to settlers under the general settlement scheme the shortage of supplies of Australian materials, such as fencing wire (plain and barbed), galvanized iron, wire netting, water piping, and steel posts, has been so acute that the Commission was compelled to arrange for importation of supplies of these materials, otherwise farm development would have been most seriously retarded.

During the year under review 1,164 tons of galvanized iron, 300 tons of cement, 1,737 tons of plain fencing wire, 722 tons of barbed wire, 29,982 steel fencing posts, and 8,249 rolls (50 yd.) of wire netting were actually imported. Overseas orders are still outstanding for further large quantities of fencing wire, steel posts, wire netting, and cement, and it is only on the anticipated fulfilment of these orders that the essential developmental work on holdings can proceed satisfactorily.

Notwithstanding the importation of materials referred to which greatly assisted progress in construction of certain improvements, the shortage of certain building timbers, particularly scantlings, expected to be available from Australian sources, did impede progress in house and shed construction to a marked degree.

Despite the difficulties experienced generally in obtaining labour for country works reasonable progress has been made in developing settlers' holdings, and during the year under review 352 new houses were completed, making the total of 869 new houses erected on soldier settlement holdings to 30th June, 1951, and contracts for an additional 415 houses have been arranged.

To provide emergency living quarters for settlers pending the completion of houses on their holdings, 673 temporary quarters have been constructed, many of these still serve as homes for the settlers and their families, while others on holdings where the permanent house has been completed are now in use as essential farm buildings.

Other buildings constructed on settlement holdings to the 30th June, 1951, throughout the State total 482 dairy and milking sheds, 324 shearing sheds, and 455 utility or general purpose sheds.

To provide farm water supplies, 829 bores have been put down and 393 dams sunk ; 722 windmills have been installed in addition to many miles of piping.

In irrigation areas 13,140 acres of pasture and lucerne have been sown and 1,660 acres of vines and 886 acres of orchard planted.

In rainfall districts 18,481 acres have been sown to pasture and some 100,000 acres top-dressed.

Other essential developmental works carried out include the construction of sheep yards and dips, outer cow yards and access driveways on holdings in addition to over 1,700 miles of new fencing.

The construction of roads to provide access for settlers on soldier settlement estates has unfortunately not kept pace with other features of development but this has been due in no small way to the difficulty being experienced by the Country Roads Board and Shires alike in obtaining suitable heavy machinery for this work. In addition, construction work of this nature cannot, in many instances, be undertaken during the winter months and is limited thereby to a restricted period in each year. The Commission is appreciative, however, of the invaluable assistance provided by the Country Roads Board and the Shires in this major work.

The total estimated cost of road construction to the 30th June, 1951, is £425,160 and this amount has been provided as under—

				Country Roads Board.	Soldier Settlement Commission.	Shire Councils concerned.	Total.
				£	£	£	£
1947-48	..	..	..	28,948	25,750	7,847	62,545
1948-49	..	..	..	18,998	67,262	13,464	99,724
1949-50	..	..	..	26,273	80,176	14,615	121,064
1950-51	..	..	..	42,543	81,888	17,396	141,827
Totals	..	..		116,762	255,076	53,322	425,160

(f) Effective Occupation of Farm Holdings.

The Commission is continuing to place settlers into effective occupation of their holdings in accordance with earlier arrangements made with the Commonwealth.

For the first twelve months of effective occupation, referred to in the Agreement as the "assistance period", a living allowance may be paid by the Commonwealth, and the settler is not required to pay any rent or interest in respect of the holding, or to make any payments of interest on advances except those for working capital.

A further 215 settlers entered into effective occupation of their allotments during the year under review, bringing the total to 967. In 36 cases, where young vines are coming into production, the assistance period has been extended for another year. During this extended period, the settler concerned continues to receive the benefits of rent and interest remissions.

Settlers are required to account to the Commission for their activities during the assistance period, and it is pleasing to report that of those who have now completed that period, the great majority have made full use of the benefits extended to them to consolidate their positions.

(g) *Valuations of Allotments.*

The Commission's view, as you are aware, is that the basis for valuing a settler's holding should be the February, 1942, value of land, and the July, 1946, value of structural improvements. With the concurrence of your Government, the Commission has determined 328 settlement interim lease valuations on that basis, and has advised 296 settlers of their Settlement Interim liabilities. Although particulars of these valuations have been submitted to the Commonwealth Settlement Authority, its agreement to them has not been received.

ADVANCES FOR STOCK, PLANT, EQUIPMENT, ETC.

Under the provisions of Part IV. of the *Soldier Settlement Act 1946* advances totalling £570,894 have been made to settlers under both the General Settlement and Single Unit Farm Schemes, and of the amount advanced £250,644 has been repaid.

To assist in establishing a new Co-operative Milk Processing Factory at Cobram and a Co-operative Dried Fruits Packing Shed at Robinvale the Commission, with your approval, has also advanced pursuant to Section 81 of the *Soldier Settlement Act 1946* £33,381 to 186 settlers to purchase shares in these Companies. The Robinvale Co-operative Company proposes to extend its processing premises and plant with the object of handling some 1,500 tons of dried fruits which are expected to be harvested next year by the settlers in that locality.

STOCK PURCHASED BY THE COMMISSION.

In its efforts to acquire suitable properties for subdivision for soldier settlement, the Commission has been compelled to purchase some estates on a walk-in walk-out basis.

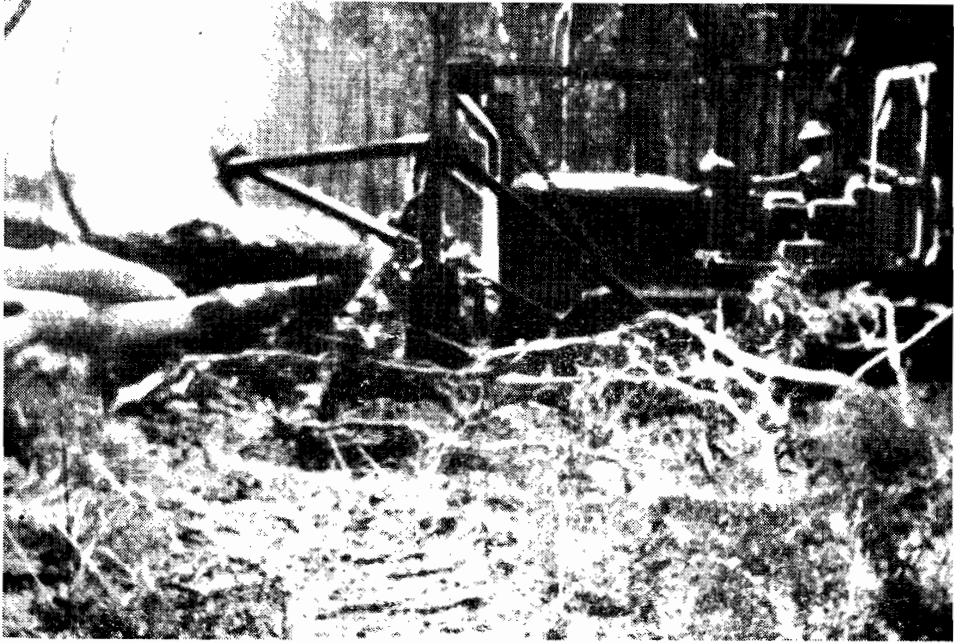
By this process the Commission has, up to the 30th June, 1951, become possessed of 191,418 sheep, 5,026 cattle, and 226 horses. The natural increase in the stock during the time that the Commission held same considerably increased these numbers. From time to time, sales of stock considered to be unsuitable for distribution to settlers have been made in the open market, and many settlers have been provided with suitable stock to assist in their establishment on the holdings allotted to them. Up to the 30th June, 1951, the Commission distributed to settlers 96,760 sheep, 4,793 cattle, and 100 horses, and the balance remaining on hand totalled 43,231 sheep, 1,388 cattle, and 101 horses.

As mentioned in previous reports, a reasonable agistment charge is credited to estates on which Commission stock are agisted and, after allowing for this charge and other normal station costs, the Commission has been able, out of its profits, to transfer £700,000 to the State Revenue Account including £430,000 transferred during the financial year in question.

SINGLE UNIT FARM ADVANCES PURSUANT TO PART III. OF THE SOLDIER SETTLEMENT ACT 1946.

This form of settlement, whereby ex-servicemen are assisted to purchase farms of their own choice and for which the State of Victoria assumes full responsibility, continues its popularity.

An amount of £8,056,743 has been approved for 2,218 ex-servicemen, 1,140 applications have been declined or withdrawn, and 26 are in various stages of finalization.



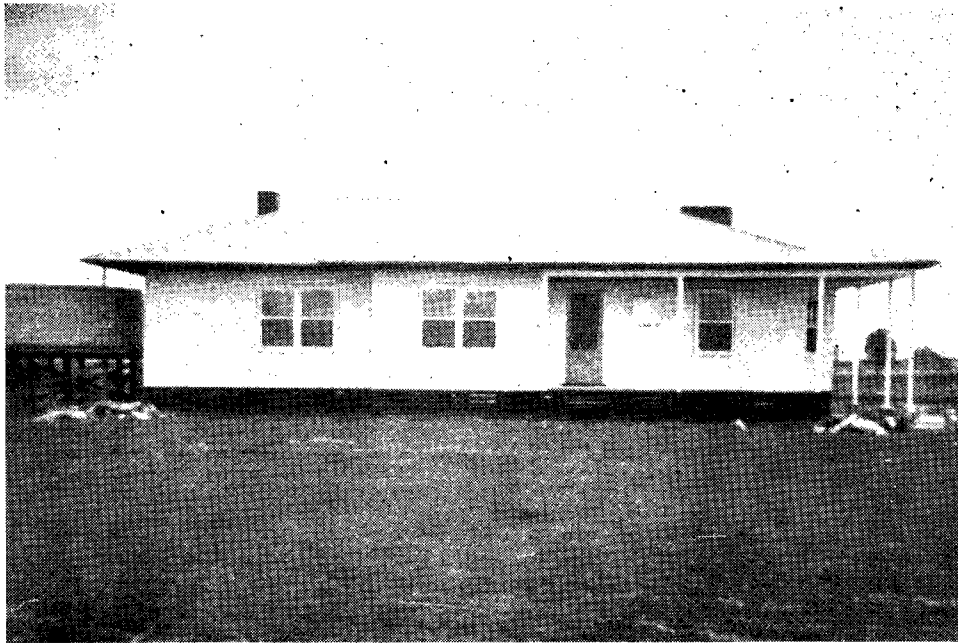
Clearing on former Crown land reserve at Condah.



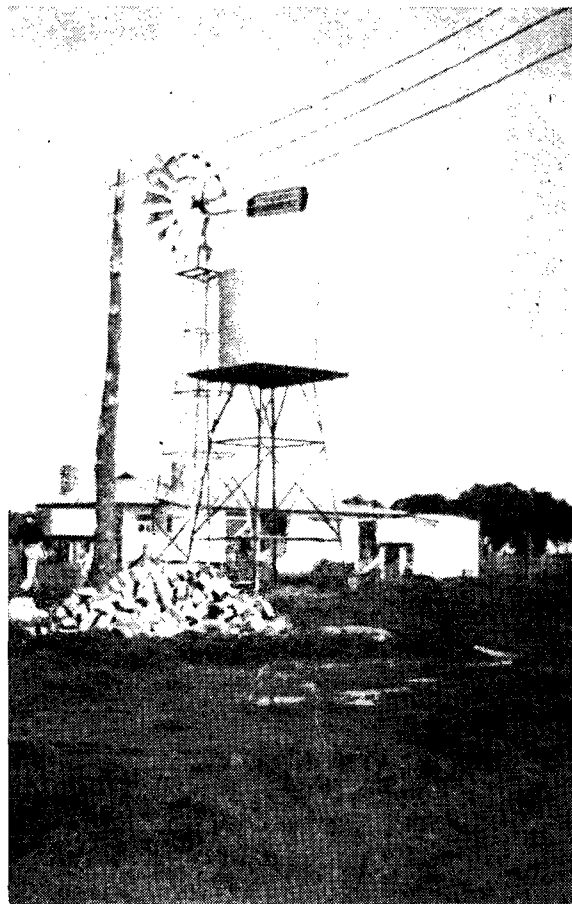
Year-old lucerne on dairy farm in Murray Valley Irrigation Settlement Area.



A dairy in course of construction in the Murray Valley Irrigation Settlement Area.



A typical type of house erected on Soldier Settlement farms in Northern Victoria.



Settler's homestead showing water supply and electric power line.

As previously pointed out, the difficulties associated with financing ex-servicemen to acquire farms during the current period of abnormally high prices for primary products still remain. Land prices have continued to rise and to enable ex-servicemen to obtain suitable properties the Commission is obliged to make advances of amounts which are such that losses could occur if conditions become considerably less favourable to primary industries. However, it is not anticipated that serious losses will occur in those cases where settlers were able to obtain their properties before the lifting of Land Sales Control, nor is it anticipated that any losses which may occur will be comparable to the cost to the State per settler of those being rehabilitated under the General Land Settlement Scheme.

In almost four years of operation of the Single Unit Farm Scheme the State has so far not been involved in any capital loss.

A number of settlers on Single Unit Farms continue to take advantage of the prevailing favourable conditions and have made substantial capital payments to consolidate their financial positions. In addition to normal payments, £146,956 has been paid by settlers to their Mortgageors' Credit Accounts.

CONSENTS TO SALES OF LAND UNDER SECTION 87 OF THE SOLDIER SETTLEMENT ACT 1946.

During the year 3,693 applications were received for consents to sales of farming land to persons other than discharged soldiers, making a grand total of 14,565 applications received since the legislation came into operation on the 27th May, 1946. Of this number 2,072 applications received did not require the consent of the Minister and of the balance of 12,493 consents were granted in 11,877 cases. The number of objections received from ex-servicemen total 827. It is not possible to state how many farms have been made available to ex-servicemen in this way but there is not any doubt that the necessity to obtain the consent of the Minister of Lands to the sale of farming land the net annual value of which (as shown in the municipal rate book) exceeds £75 to a person other than a discharged soldier, has been the contributing factor in assisting ex-servicemen to establish themselves on farming properties.

AGRICULTURAL LOANS AND ALLOWANCES UNDER THE COMMONWEALTH RE-ESTABLISHMENT AND EMPLOYMENT ACT 1945.

The Commission is administering, as agents for the Commonwealth, those sections of the *Re-establishment and Employment Act* 1945, which relate to granting loans and allowances to eligible ex-servicemen to assist in their rehabilitation in agricultural occupations. The funds and administrative expenses are provided by the Commonwealth.

At the 30th June, 1951, loans totalling £2,009,851 had been approved for 3,156 ex-servicemen, and agricultural allowances totalling £293,869 had been granted to 2,304 applicants. Of the £2,009,851 approved for loans, £1,763,032 has been expended, of which £863,824 has been repaid.

Applications for loans and allowances must be made by eligible ex-servicemen within five years of the cessation of hostilities or within five years of the date of discharge, whichever is the later. The Commonwealth has fixed the date of the cessation of hostilities at the 2nd September, 1945, and as large numbers of servicemen were demobilized in the nine months which followed that date, few ex-servicemen are now eligible for further assistance of this nature. The effect of this limitation is that, apart from the general settlement scheme, the Victorian Single Unit Farm legislation is now the only avenue through which an ex-serviceman may be rehabilitated in farming, provided, of course, he applied for classification as to eligibility and suitability within the prescribed period.

STAFF.

The response by the officers of the staff of the Commission to the heavy demands made on them is appreciated and the Commission desires to express its thanks to them for their wholehearted co-operation and for the efficiency they have shown in carrying out the duties entrusted to them.

The Commission again desires to express its sincere appreciation of the co-operation extended to it by the Secretary for Lands and for the valued assistance made available from his field officers and Head Office staff; to the State Rivers and Water Supply Commission which has carried out extensive field work of the areas being developed for irrigation settlement; to the Country Roads Board for its assistance and advice in connection with the construction of roads, and to the Heads of other Departments for their co-operation in the carrying out of many other phases of soldier settlement.

H. L. SIMPSON, Chairman.

H. HOLMBERG, Member.

SYDNEY J. KING, Member.

E. SINGLETON, Secretary.

SOLDIER SETTLEMENT COMMISSION.

SOLDIER SETTLEMENT ACTS.

BALANCE-SHEET AT 30TH JUNE, 1951.
(Adjusted to nearest £.)

	<i>Credit Balances.</i>		<i>Debit Balances.</i>		
	£	£	£	£	£
1. Loan Expenditure	22,868,711				
<i>Less</i> Repayments to State Loans Repayment Fund	2,344,496				10,562,697
Loan Liability	20,524,215			515,377	
<i>Less</i> Loan Liability transferred to and borne by the State	674,067			479,579	
		19,850,148		493,524	21,853
2. Crown Lands taken over and set apart for settlement		42,416			2,070,698
3. Interest on Loan Expenditure capitalized during the developmental period				76,236	
				7,411,594	1,994,462
4. Advance to Country Roads Board for road construction		15,000			
<i>Less</i> Amount held by the Country Roads Board		15,000			
				144,032	
5. Amounts held in Trust for Sundry Persons		42,246			
<i>Less</i> Balance in the Trust Suspense Account		42,246			
				740,394	
6. Settlers for Securities Lodged pending Settlement Purchase Lease		33,360			
<i>Less</i> Securities held for Settlers		33,360			
				884,426	6,527,168
7. Sundry Creditors for rents payable in advance, &c.					
8. Amounts Provided from Consolidated Revenue to meet Interest on Loans and Costs of Administration					
<i>Less</i> Amounts paid to Consolidated Revenue		1,449,544			
Commonwealth Government for one half-share of rents and interest remitted during the Assistance Period		1,387,094			
				249,947	320,920
9. Profits on working Station Properties					
<i>Less</i> Revenue Account Deficiency (see explanatory footnote)		48,959			
Accumulated Deficiency to 30th June, 1950		1,436,053			
Deficiency for year ended 30th June, 1951		877,457			
				32,144	32,134
				10	661,696
					75,402
					150,538
				2,284	
				2,911	5,195
11. Sundry Debts to State Loans Repayment Fund—					
Principal due and payable by settlers and others		13,491			
12. Sundry Debts to Consolidated Revenue—					
Arrears of Interest, Rents, and Fees due and payable		454,046			
Interest and Rents accrued due not payable		221,391			
					26,503
					77,641
		202,020			
		20,510,106			20,510,106

SOLDIER SETTLEMENT COMMISSION.

SOLDIER SETTLEMENT ACTS.

REVENUE ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1951.
(Adjusted to nearest £.)

	£	£	£
<i>Debits.</i>			
Interest on Loans including discount and expenses of loan raising	..	569,250	
Less Interest on Loan Liability transferred to and borne by the State	..	20,239	
		549,011	
Costs of Administration—			
Salaries and Wages	..	97,339	
Travelling Expenses	..	6,721	
Stores, Stationery, and Incidentals	..	13,128	
Maintenance of property, repairs	..	712	
Payments in lieu of rates	..	13,983	
		131,943	
Depreciation	..	2,413	
Bad Debts—			
Advances	..	28	
Less half-share contributed by Commonwealth Government	..	14	
		14	
Interest, &c.	..	37	
		51	
Remissions—			
Rents and Interest Remitted during the Assistance Period	..	33,468	
Less half-share to be contributed by Commonwealth Government	..	16,734	
		16,734	
Interest waived on overdue instalments	..	19	
		16,753	
		700,171	
			<i>Credits.</i>
Interest Earned	..		197,746
Interest on Expenditure for Land and Improvements capitalized	..		153,719
Rents, fees, and sundry earnings	..		127,315
Balance carried down	..		221,391
		700,171	

<i>Debits.</i>		<i>Credits.</i>	
	£		£
Accumulated Deficiency to 30th June, 1950	.. .. . 454,046	Accumulated Profits on working station properties to 30th June, 1950	.. .. . 578,573
Revenue Account Deficiency for year ended 30th June, 1951	.. .. . 221,391	Profit on working station properties for year ended 30th June, 1951	.. .. . 298,884
	675,437		877,457
Balance	.. .. . 202,020		
	<u>877,457</u>		<u>877,457</u>

The accumulated deficiency shown in the Balance-Sheet and Revenue Account is due mainly to the provisions of the Agreement between the Commonwealth and State Governments and of State legislation designed to assist the establishment of discharged soldiers on the land.

1. *Remission of rents and interest.*—During the early stages of occupation, referred to in the Agreement as the "Assistance Period," all rent and interest charges are remitted. The cost is to be shared equally by the Commonwealth and State Governments. The Victorian Government's share to date is £ 50,806

2. *Concessional interest rate.*—The Act fixes the rate to be charged to settlers at 2 per cent. per annum. Having regard to the current rates payable on Government Securities, the reduced rate amounts to a statutory concession of £ 174,217

3. *Other costs not charged to settlers—*

(a) Discount and expenses on the raising of loan moneys amounted to £ 42,562

(b) Costs of administration also borne by the State were £ 394,021

661,606

E. SINGLETON, Secretary.

R. D. HOWELLS, Accountant.

H. L. SIMPSON, Chairman.

H. HOLMBERG, Member.

SYDNEY J. KING, Member.

The accounts of the Soldier Settlement Commission have been audited and, in my opinion, the balances shown in the Balance Sheet properly disclose the position of the Commission's accounts as at 30th June, 1951, and the Revenue Account and the statement of Receipts and Disbursements correctly summarize the transactions of the Commission during the year ended 30th June, 1951.

E. A. PEVERILL, Auditor-General.
30th November, 1951.

SOLDIER SETTLEMENT COMMISSION.

SOLDIER SETTLEMENT ACTS.

STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR FINANCIAL YEAR ENDED 30TH JUNE, 1951.

		<i>Receipts.</i>					
		£	s.	d.	£	s.	d.
Payments to Consolidated Revenue—							
Interest on Land and Improvements					39,901	19	1
Interest on Advances					118,015	7	8
Rents and Agistment					83,925	14	4
Proceeds, Sale of Motor Cars					330	0	0
Ascertained Profit on Trading in Livestock					400,000	0	0
Sundries					3,153	18	1
							645,326 19 2
Payments to State Loans Repayment Fund—							
Proceeds, Sale of Land and Improvements					222,035	19	2
Payments in reduction of Advances					664,622	19	5
Proceeds, Sale of Stock, Wool, Plant and Material		457,588	1	1			
Less Amounts transferred to Consolidated Revenue		430,247	10	5			
					27,340	10	8
							913,999 9 3
							<u>1,559,326 8 5</u>
		<i>Disbursements.</i>					
Expenditure from Consolidated Revenue—							
Proportion of Commissioner's Salaries		4,943	6	5			
Salaries and Wages		75,514	1	3			
Travelling Expenses		6,248	8	7			
Stores, Equipment, and Incidentals		3,049	17	5			
Postage, Telegrams, and Telephones		3,097	15	7			
Printing and Stationery		4,234	15	11			
Maintenance of Motor Vehicles		151	6	6			
Valuation Fees		1,945	17	6			
Upkeep of Commission's Property		443	7	8			
Payments in lieu of Shire Rates		13,983	0	2			
Purchase of Motor Vehicles		600	11	6			
					114,212	8	6
Pay-Roll Tax					2,103	2	11
							116,315 11 5
Expenditure from Loans—							
Purchases of Land					1,822,135	18	10
Advances—							
For Shares		32,143	15	0			
For Purchase of Land, &c.		1,736,860	17	6			
For Improvements, Stock, Implements, &c.		235,137	10	3			
					2,004,142	2	9
Irrigation Development					78,074	11	5
Other Expenditure—							
Development and Improvement of Estates		2,190,560	4	11			
Shares in Kyabram Co-operative Fruit Preserving Co. Ltd.		70	0	0			
Share-farming Agreements		9	4	2			
Heytesbury Experimental Area		848	16	3			
					2,191,488	5	4
							6,095,840 18 4
							<u>6,212,156 9 9</u>

E. SINGLETON, Secretary.
R. D. HOWELLS, Accountant.

H. L. SIMPSON, Chairman.
H. HOLMBERG, Member.
SYDNEY J. KING, Member.

E. A. PEVERILL,
Auditor-General,
30th November, 1951.