

1955-56

VICTORIA

ANNUAL REPORT

OF THE

SOLDIER SETTLEMENT COMMISSION

FOR THE

YEAR ENDED 30th JUNE, 1956

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.

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 30th June, 1956.

SETTLEMENT OF EX-SERVICEMEN UNDER THE WAR SERVICE LAND SETTLEMENT SCHEME.

In general terms, the Commission is able to report that the settlement of ex-servicemen on the land has progressed satisfactorily during the year 1955-56. From time to time, the Commission has been pleased to report the generally satisfactory amount of loan funds which have been made available to it from year to year, and particularly at times when there has been a heavy and urgent demand for loan funds for other Government projects.

During the year 1955-56, the Commission expended £3,899,992 allocated from the State Loan Fund and received in addition £1,599,928 from the Commonwealth Government under its £1 for £2 Special Advance to assist in soldier settlement, making a total for the year of £5,499,920.

The Commission has felt that, as a Government instrumentality, it should concern itself primarily with getting the best results possible from the amount of money expended, rather than endeavour to claim virtue from the fact that a certain sum of money had been spent. In this regard, however, the Commission desires to record that the continual upward trend in prices and costs and the scarcity of finance for settlers from wool firms and the like, has reduced the number of ex-servicemen that it is possible to rehabilitate with any given sum of money.

The allocation of holdings to ex-servicemen has been reasonably well maintained in the period under review and, in addition, the Commission has been able to acquire sufficient quantities of land to ensure the continued allocation of holdings during the latter half of 1956.

Perhaps the greatest single factor which has reacted unfavourably to progress on some projects, has been the extremely wet conditions which prevailed for practically the whole of the year, particularly in the northern parts of the State. Settlers in the Murray Valley Irrigation Area have suffered considerable losses due to flooding, and at Robinvale the dried-fruit harvest was reduced due to unfavourable harvesting conditions.

Land acquisition costs still remain at a high level and whilst there has been some easing in land values, such values, nevertheless, remain very high and present the Commission with considerable difficulties when the land has to be acquired for ex-servicemen possessing no capital.

In its last report for the year ended the 30th June, 1955, the Commission expressed the view that, notwithstanding population growth and industrial development, it may well be that in the final analysis, Australia will still rely largely upon the export of primary commodities to meet her overseas commitments. The Commission does not believe that the general developments which have occurred in the past twelve months within the Australian economy, and the problem with which it is still faced in respect to meeting its overseas commitments have presented any reason why there should be any slackening in efforts to lift the productivity of farming lands currently in use, and to bring in new areas which offer prospects of ultimate production in the particular industry concerned, at a level of costs lower than or at least equal to the average at present prevailing for that industry.

This should not be taken to mean that formerly unproductive land can always be brought into production without some subsidization, but it is suggested that if subsidization is necessary, it may well be that close attention could be centred on bringing in land which is capable of ultimately producing at relatively low-unit costs, rather than maintaining the status quo by some overall form of assistance which would be available to the efficient and inefficient alike.

Returns generally for produce in the farming industries in which soldier settlers are engaged in Victoria have either levelled off at approximately the previous year's figure or have fallen slightly, but in both cases, costs have risen. The margin available to the settler from which to provide his living and meet his commitments has, therefore, tended to fall from the relatively high levels which have prevailed since 1951.

Most settlers have been able to consolidate their positions and improve the productivity of their holdings during the period, although the Commission has found that new settlers going on to their holdings with limited capital, have found the concessional interest rate available on stock and plant advances to be a very material factor in enabling them to achieve some sort of financial stability.

It is also perhaps interesting to note that grazing holdings which were allocated to ex-servicemen when the Soldier Settlement Scheme was in its infancy approximately eight years ago, have shown very considerable overall lifts in carrying capacity and it is probably true to say that the productivity on these holdings has been more than trebled.

The same sort of thing has also tended to occur on those portions of large estates retained by the original owners as homestead units, where the smaller area available has enabled the original owner to also double and in many cases treble his productive capacity with pasture development.

1. *Development of Crown Lands.—Experiments in Raising Productivity of Crown Land.*

The Commission has continued with experiments in the development of Crown lands of low natural fertility and has again made use of the technical advice of other Departments. It has been able to subdivide and to allocate to two ex-servicemen the original experimental area in the Heytesbury district, which was established to prove the potentiality of a large tract of virgin Crown land in this district.

2. *Crown Lands Under Development.*

Robinvale.—The coming spring will see the completion of the planting of the additional 1,200 acres allocated to Victoria by the Australian Agricultural Council for the extension of dried fruit plantings. The completion of the planting of this 1,200 acres will bring the total number of holdings at Robinvale to 246 and will exhaust Victoria's allocation for dried fruits plantings.

Whilst extremely inclement weather seriously affected the production at Robinvale for the season just passed, the district has, nevertheless, been able to maintain its reputation for high-average yields per acre when compared with the best dried fruit-growing areas in the Commonwealth.

Nyora.—The development of 2,400 acres of former forest land at Nyora is now well under way, the project having commenced in the spring of 1952. The fifteen settlers are now on their holdings and the first of these have entered into commercial production. The remainder are completing the pasture development and other developmental activities in anticipation of commercial production.

Yanakie.—The Yanakie Soldier Settlement Area is situated on the northern neck of Wilson's Promontory, approximately 16 miles from Foster. In previous reports, the Commission stated that some 8,000 acres of the 12,000 acres which had been set apart for soldier settlement had been ploughed and cleared, and during the current year, further clearing and ploughing operations have been carried out. In addition, some of the land ploughed in the previous year has been prepared for pasture and sown. Sowing operations were brought to a halt much earlier than was planned due to early autumn rains and a particularly heavy cloud burst in March over the area being worked.

Within the limits set by the wet conditions, the Commission has stock-piled lime and made other preparations to embark on an extensive sowing programme in the coming summer months.

Heytesbury.—In February, 1956, the Commission commenced operations on the 70,000 acres set apart for soldier settlement purposes in the Heytesbury district. An administrative and stores centre is being established on the Cobden-Kennedy's Creek-road, approximately 16 miles south of Cobden.

Concurrently with the establishment of this centre, which is not yet complete, clearing and ploughing operations were commenced on the first 10,000 acres to be developed. Considerable progress has been made in the past five months and it is pleasing to report that, although conditions have been particularly wet, it has been possible to make better progress than was anticipated in the clearing operations during the winter. In these operations the Commission uses two 150 horse-power Crawler Tractors, a 9-ton anchor chain, and a steel ball approximately 8 feet in diameter, to fell the timber and scrub growth. The debris is then swept with bulldozers into either windrows or heaps, depending on the density of the vegetation on the land cleared. This method of clearing land has proved to be most effective, but could only be applied economically on large-scale projects.

The construction of a road to serve the new area being cleared has been proceeded with, although the winter rains brought construction to a standstill in May, 1956.

Whilst it is not possible at this stage to indicate the extent of seeding operations which will be undertaken on the cleared land in the coming summer months, the Commission proposes to proceed with such sowing to the limit that circumstances permit.

Acquisition of Lands.

The tightening of the money market in recent months, has considerably reduced the number of buyers in the land market generally, and this is particularly so where large transactions are concerned. This factor has helped the Commission to buy somewhat more advantageously in the open market than is possible when it is confronted with the acquisition of land from an unwilling vendor.

During the year 51,746 acres of land were purchased for a total cost of £2,035,182, an average of £39 6s. 7d. per acre. This figure is above the average of previous years, but the proportion of the more highly-developed land is greater and will allow settlers to reach the maximum capacity in a shorter time, but nevertheless, at a higher overall cost.

The following table gives details of acquisitions of freehold land made since the Commission's inception :—

	Acres.	£
Land acquired prior to 1st July, 1947	233,208	2,134,554
Land acquired during the period 1st July, 1947, to 30th June, 1948	312,384	2,812,176
Land acquired during the period 1st July, 1948, to 30th June, 1949	106,566	1,022,397
Land acquired during the period 1st July, 1949, to 30th June, 1950	79,994	1,175,313
Land acquired during the period 1st July, 1950, to 30th June, 1951	85,826	2,018,018
Land acquired during the period 1st July, 1951, to 30th June, 1952	72,042	1,234,616
Land acquired during the period 1st July, 1952, to 30th June, 1953	21,489	513,168
Land acquired during the period 1st July, 1953, to 30th June, 1954	49,152	1,174,176
Land acquired during the period 1st July, 1954, to 30th June, 1955	50,306	1,289,016
Land acquired during the period 1st July, 1955, to 30th June, 1956	51,746	2,035,182
	1,062,713	15,408,616

Classification of Applicants as to Eligibility and Suitability.

Due to the time that has elapsed since the cessation of the 1939-45 War and the statutory time limits for the receipt of applications, the only ex-servicemen now eligible to apply for classification are those who served in the Korean or Malayan theatres of war, or those who applied interstate within the prescribed time and who later sought land in Victoria. As a result, only 83 ex-servicemen applied for classification as to suitability and eligibility to apply for War Service Land Settlement in Victoria during the year under review, bringing the total number of applications received to 16,580, of which number 11,165 have been classified as suitable for farm ownership.

Of the number classified, 5,264 have received their rehabilitation under the Soldier Settlement Acts as follows:—

2691 Single Unit Farm loans have been approved to enable ex-servicemen to purchase farms of their own choice and 2,573 holdings have been allotted under the War Service Land Settlement Scheme.

During the current year, 108 Single Unit Farm loans were made and 181 holdings were allocated under the War Service Land Settlement Scheme, a total of 289.

In the twelve months under review, 856 eligible ex-servicemen applied for land made available for application under the General Settlement Scheme. Of this number less than 70 per cent., in the opinion of the Commission, appear to have the physical capacity or aptitude to run a farm successfully under normal conditions.

Subdivision and Allocation of Land.

The total number of holdings made available for settlement to the 30th June, 1956, was 2,610, comprising an area of 987,187 acres, including 182 holdings with an area of 49,472 acres made available during the last financial year. 977,158 acres have actually been allocated to 2,573 ex-servicemen of whom 2,529 are in occupation of their holdings.

The following table sets out the various avenues through which the Commission has disposed of freehold land acquired and the Crown lands which have been set apart for settlement purposes:—

	Acres.
Allotted for general settlement involving 2,573 holdings	977,158
In course of allocation involving 37 holdings	10,029
Awaiting allocation under the General Settlement Scheme ..	137,589
Sold as not suitable for settlement purposes or disposed of in other ways such as appropriation for public purposes	57,600
	1,182,376

Of the 137,589 acres awaiting allocation for General Settlement, there are 82,000 acres of Crown Land being developed as long-term projects and other acquired freehold areas are being developed for irrigation purposes.

Development and Improvement of Settlers' Holdings.

A major portion of the Commission's activities is devoted to the development and improvement of holdings after subdivision. In this developmental programme the Commission erects houses, shedding, water supply, sheep yards and dips, and internal access roads, as well as carrying out an extensive programme of pasture development and improvement.

The following table sets out the progress made in the erection of major structural requirements on farms :—

	<i>Prior to</i>	<i>During Year</i>	<i>Total.</i>
	30.6.55	1955-56.	
Houses erected	1,993	189	2,182
Existing houses renovated and occupied by settlers	98	15	113
(In addition thirteen houses have been removed to holdings by settlers.)			
Dairy and milking sheds erected ..	1,011	333	1,344
Shearing sheds erected	875	70	945
Utility sheds, haysheds, and general- purpose sheds erected	1,953	709	2,662

The Murray Valley Irrigation Settlement Area in Northern Victoria and the Nambrok-Denison Irrigation Settlement Area in South Gippsland are entering into their closing stages of development. These two areas combined have involved the development of over 600 farms for dairying, with some canned fruits in the Murray Valley Project.

The production received from these two districts is of a high quality and quantity, but can only be safeguarded by the provision of adequate drainage facilities which are at present being undertaken by the State Rivers and Water Supply Commission. The Soldier Settlement Commission feels that it would be failing in its duty if it did not stress the importance of safeguarding with adequate drainage facilities the valuable national asset which has been created, quite apart from the suffering of the settler and his family.

The development of 28 irrigation dairy farms near Horsham to produce whole milk for the Wimmera district has been restricted by yet another abnormally wet season. However, those areas which were sown to pasture have made very satisfactory progress and the drainage system initially installed is proving adequate for the extremely wet conditions previously mentioned. The first settlers will enter into commercial production in the coming spring.

Road Construction to Serve the Holdings on Settlement Estates.

The construction costs of public roads which serve soldier settlement estates are financed by the Soldier Settlement Commission, the Country Roads Board, and the local municipality concerned in conjunction. Half of the funds for such roads are provided by the Soldier Settlement Commission and the balance by the roading authorities previously mentioned.

The physical work is normally done by the municipality under the supervision and direction of the Country Roads Board, although in some circumstances, the Country Roads Board undertakes the work by direct labour.

During the year, expenditure on roads to serve soldier settlement estates by the Soldier Settlement Commission totalled £64,200, making a grand total to date of approximately £614,200. Notwithstanding Ministerial assurances in respect to Commonwealth contributions towards the cost of roading during the early stages of settlement, the Commission has been unable to obtain any contribution from the Commonwealth War Service Land Settlement Authorities towards such expenditure.

Assistance Period Granted to Settlers.

A further 250 settlers were granted the benefits of the Assistance Period during the year and this brings the total number of General Settlers who have received these benefits to 2,205.



Ball and Chain Engaged in Clearing Operations.



Clearing at Heytesbury.



Special Harrows Developed by the Commission for Handling Debris in the Development of Crown Lands.



Pastures Resulting from Trace Element and Fertilizer Treatment in Heytesbury Crown Lands.

These benefits are granted in accordance with the original War Service Land Settlement Agreement entered into between the Commonwealth and the State of Victoria, and provide a living allowance for twelve months which is not repayable, a rent-free period for twelve months for the use of the farm, and the remission of interest for one year on advances made for stock, plant, and equipment. The benefits are granted with the primary object of allowing the settler to conserve his income during the year, to enable him to obtain an equity in his stock, plant, and equipment, and to assist in establishing him on the farm.

The total amount provided by the Commonwealth to date for the free living allowance amounts to £726,787.

The Soldier Settlement Act also provides that settlers who have otherwise met their commitments and have repaid advances for stock and equipment, may lodge sums to their credit accounts on which interest is payable at the current long-term bond rate for the time being in force. The total amount paid by settlers for this purpose is £789,038, and of this amount £583,205 has been applied in reduction of liabilities under Purchase Leases.

Valuations of Allotments.

During the financial year 1955-56 Interim Lease liabilities were determined for an additional 369 holdings, making a total of 1,563 holdings for which such liabilities have been determined.

It is perhaps appropriate to reiterate the principle contained in the original Agreement between the Commonwealth of Australia and the State of Victoria in respect to the important question of the liability which should be placed on a settler's holding. The principle is that the responsible authorities "shall have regard to the need for the proceeds of the holding (based on conservative estimates over a long-term period of prices and yields for products) being sufficient to provide a reasonable living for the settler after meeting such commitments (excluding principal repayments under any agreement between the State and the settler for the purchase of land) as would be incurred by a settler possessing no capital." The same fundamental was re-written into the Soldier Settlement Acts in 1949.

It was envisaged that the difference between the valuation so determined and the cost, would be shared equally between the Commonwealth and the State, but the Commonwealth War Service Land Settlement Authorities and the Soldier Settlement Commission had been unable to arrive at a mutually-acceptable interpretation of the principle contained in the Agreement.

With the legislation under which it operated based on a freehold system of land tenure, the Soldier Settlement Commission determined a basis of valuation of settlers' holdings in 1950. Broadly, the basis adopted for assessing the liability of the settler in relation to his land followed the average prices and yields over the twenty-year period up to 1945, and was, therefore, substantially in line with 1942 values adopted for Land Sales Control. Structural improvements on the farm were valued at 1946 standard cost levels.

It should be noted that the Commission had acquired approximately 700,000 acres of land for settlement purposes on the basis on which Land Sales Control operated and, apart from any other reason, was obliged to take cognizance of the figure at which the ordinary citizen was permitted to sell.

Whilst the Commonwealth War Service Land Settlement Authorities have never agreed to adopt the basis followed by the Commission, an arrangement was made in 1951 whereby the Commonwealth War Service Land Settlement Authorities agreed that Victoria should undertake the valuations for Interim Lease in accordance with its own interpretation of the requirements of its Acts and the Commonwealth would contribute in respect of each estate, one-half of the items specified in (a), (b), and (c) hereunder, or one-half of the difference between cost and valuation as occasioned by the State valuation, whichever is the lesser amount:—

- (a) Costs associated with the holding of land prior to settlement, e.g., unrecouped interest on loan funds employed in acquisition and development; maintenance of assets, including insurances, noxious weeds and vermin control and rates.

- (b) Expenditure on acquisition and development which does not add to the value of the holding, of the nature of condemned structural improvements, dud bores, &c., and survey fees.
- (c) Excess costs of structures above standard July, 1946, costs.

The Commonwealth in addition agreed to contribute one-half of any writing off of other costs of acquisition and development on which it can reasonably be concluded at any time up to the expiration of three years following the issue of a Settlement Purchase Lease that the trend of price levels of products would not allow the commitments to be borne.

After the lifting of Land Sales Control, the price of land rose steeply and reached as high as three times the control figure. In addition, the cost level for the items associated with the development of farms rose steeply with the general rise in prices from 1950 onwards. Concurrently with the rise in costs generally, the prices received by farmers rose.

At first, the rise in prices for products was on the whole, equal to or greater than the rise in costs. However, the last three years of the six-year period from 1950 has shown a general easing in prices for primary products from the boom level, with steadily rising costs.

It is relevant to note that the average of prices for each of the major rural industries for the twenty years 1936-55 is generally double that of the average which prevailed for the twenty-year period 1926-45. Wool is an exception to the foregoing as prices for this product show a trebling in the average.

Against this background, the Soldier Settlement Commission was obliged to determine a level of liabilities for Settlement Interim Leases for the remaining settlers which would take effect after the 1st January, 1954. This was done during the financial year under review.

An analysis of Interim Lease Liabilities for leases taking effect after 1st January, 1954, shows an increase of from 40 per cent. to 50 per cent. on the level which prevailed for the earlier settlers. It should be noted that the Commission, in adopting a new basis of valuation, did not follow the increase as indicated in the lift in average returns for the latter twenty-year period, namely, 1936-55, because production costs were still reducing the farmer's profit margin and some stability was apparent in overseas prices for products at lower levels.

Settlement Purchase Leases.

As at the 30th June, 1956, 619 settlers had been granted Settlement Purchase Leases of which 260 were granted during the financial year 1955-56. These leases provide for the settler eventually freeholding his farm and follow after the grant of a Settlement Interim Lease.

ADVANCES FOR STOCK, PLANT, EQUIPMENT, ETC.

Advances, pursuant to Part IV. of the Soldier Settlement Act No. 5179 were made during the year to settlers under the War Service Land Settlement Scheme, and to Single Unit Farm settlers, amounting to £677,427. This brings the total advances made under this part to £3,062,825.

During the year a sum of £526,336 was repaid, bringing the total repayments to £1,824,971.

Advances under Section 81 of the Act have been made for the purchase of shares in two co-operative companies totalling £110,164, of which £26,381 has now been repaid. Such advances are used for the establishment of co-operative factories for processing settlers' produce.

The cost of stock, plant, and equipment has increased steadily over the years, and the amount required to finance settlers for these items in most industries, is now very considerable. Close supervision of settlers' expenditure and farming activities is required and is being maintained to ensure that repayment of individual loans is on a sound basis.

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

During the year advances were made to eligible ex-servicemen totalling £646,295 to assist in the purchase of Single Unit Farms, repay existing encumbrances on farms or to effect improvements. In addition, loans have been approved in 19 cases which are awaiting finalization.

A statistical summary of actual advances by the Commission under the Single Unit Farm legislation is set out hereunder, and it is interesting to note the gradual increase over the years of the average amount required to establish a settler.

Period.	Number of Settlements Effectuated.	Total Loans.	Average Loan.
		£	£
Inception to 30th June, 1947	93	319,173	3,431
1st July, 1947, to 30th June, 1948	752	2,537,814	3,375
1st July, 1948, to 30th June, 1949	417	1,460,838	3,503
1st July, 1949, to 30th June, 1950	368	1,356,907	3,687
1st July, 1950, to 30th June, 1951	434	1,736,861	4,002
1st July, 1951, to 30th June, 1952	195	914,518	4,690
1st July, 1952, to 30th June, 1953	51	247,890	4,860
1st July, 1953, to 30th June, 1954	97	512,888	5,288
1st July, 1954, to 30th June, 1955	144	806,926	5,604
1st July, 1955, to 30th June, 1956	106	646,295	6,097
Totals to 30th June, 1956	2,657	10,540,110	3,967

In 703 cases the Single Unit Farm loans have been repaid in full, and the total amount of loans repaid to date is £3,023,945.

The Commission is pleased to report again that it has not been involved in any loss of capital for advances made under this scheme, although it must be pointed out that some losses may be expected, when advances of up to 90 per cent. of valuation are made.

An amount of £211,080 is at present standing to the credit of Single Unit Farmers in the Mortgagors' Credit Account, representing payments by settlers in excess of their normal commitments.

During the year some settlers suffered heavy losses through adverse weather conditions which mainly affected the harvesting of dried, vine, and canning fruits, and the Commission has taken appropriate action, where necessary, in accordance with the legislation, to defer payment of instalments and other amounts due in order to assist settlers so affected to carry on their holdings.

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

An amount of £1,796,725 was advanced to 2,970 ex-servicemen under the provisions of the above-mentioned Act, the relative sections of which are being administered on behalf of the Commonwealth in this State by the Commission.

Of the amount advanced, the principal sum of £1,450,006 has already been repaid. With the statutory limits on the time in which applications may be made for assistance, it is anticipated that only a few further applications from ex-servicemen who served in Malaya and Korea will be dealt with.

Since the Commission commenced operations in 1946, Agricultural Re-establishment Allowances totalling £296,013 have been made to 2,311 ex-servicemen to assist in establishing them in farming undertakings throughout the State, but due to the statutory time limits covering eligibility for such allowances, no payments were made during the year under review.

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

Applications totalling 32,518 have been received up to 30th June, 1956, for the consent of the Minister, 3,692 of these being for the period 1st July, 1955. to 30th June, 1956.

Objections have been lodged in 1,127 cases, including 49 during the past year.

There are 205 objections pending receipt of applications for consent to sales of particular areas.

During the year the Commission has purchased a number of properties, the sales of which have only been brought to notice by the provisions of Section 87 of the Act.

The requirements of these Sections of the Act are useful in appraising market values in areas where the Commission is operating.

INSURANCE.

The following table shows the position of the Insurance Fund under the provisions of the Soldier Settlement Acts, to cover structural improvements on settlers' holdings.

	£	s.	d.	£	s.	d.
<i>Receipts.</i>						
Credit Balance in Fund as at 30th June, 1955	169,659	6	2			
Premiums received during financial year 1955-56	63,550	1	8			
	-----			233,209	7	10
<i>Payments.</i>						
Claims paid during financial year 1955-56—						
Reinstatement	6,793	16	10			
Sec. 71 (8) (b) (Reduction of liabilities of insured where reinstatement not desirable)	2,363	11	0			
Administration Expenses	8,512	17	3			
Balance of Fund—30th June, 1956	215,539	2	9			
	-----			233,209	7	10

Arrears of Premiums at 30th June, 1956, amounted to £7,061 5s. 7d.

Claims admitted but not paid at 30th June, 1956, amounted to £2,600 8s. 5d.

INSURANCE COVER.

AT 30TH JUNE, 1956.

	£
Estates	4,474,141
Single Unit Farm Mortgages	4,593,103
General Settlers	6,768,115

Total	15,835,359

LAND SETTLEMENT ACT 1953.

This Act, which provides that the Commission may acquire privately-owned land or utilize Crown land for development and subdivision, is attracting increasingly keen interest throughout the State. Over 500 persons, of whom approximately 50 per cent. are ex-servicemen, have indicated their desire to participate in the type of assistance envisaged under this Act, which embraces both ex-servicemen and non-ex-servicemen.

It is obvious that there are many fine types of young people experienced in farming who are anxious to embark on a scheme of farm ownership.

Whilst the completion of soldier settlement is the Commission's prime concern at the moment, it is hoped that the time will arrive in the not-too-distant future, when it can devote more of its time and finance to this important question.

STAFF.

Legislation passed by Parliament during the year, returned the control of its staff to the Commission. The Commission is satisfied that the direct control and responsibility for staffing gives increased efficiency, particularly in an organization concerned with developmental projects and the personal destinies of large numbers of ex-servicemen settlers and their dependents.

The Commission is again appreciative of the efforts of its staff who have carried on their tasks with efficiency and enthusiasm. Their transfer to the Public Service under conditions with which they were obviously dissatisfied and their return to the control of the Commission has, of necessity, had an unsettling effect, but the Commission expects and believes that the position will continue to improve.

The Commission again wishes to record its appreciation of the assistance and co-operation it has received from other departments and instrumentalities, when it has sought assistance and specialized advice. It is also appreciative of the co-operation and assistance which it has continued to receive from the Returned Sailors, Soldiers, and Airmen's Imperial League of Australia.

H. L. SIMPSON, Chairman.

E. SINGLETON, Member.

SYDNEY J. KING, Member.

S. P. BROMFIELD, Secretary.

SOLDIER SETTLEMENT ACTS.

BALANCE-SHEET AT 30TH JUNE, 1956.

(Adjusted to nearest £.)

	Credit Balances.		Debit Balances.		
	£	£	£	£	£
1. Loan Expenditure	..	47,204,759	..	..	17,670,596
Less Repayments to Loan Fund Credit Account	..	7,624,783	..	..	1,108,602
Loan Liability	..	39,579,976	..	914,811	..
Less Loan Liability transferred to and borne by the State	..	4,128,579	..	21,270	..
Amounts advanced by the Commonwealth Government	..	35,451,397	..	936,081	172,521
Amounts claimed from Commonwealth Government under an agreement to share costs in excess of valuations	..	1,610,000	..	4,404,907	..
Less Amounts contributed by the Commonwealth Government	..	1,650,006	..	37,133	..
..	..	1,608,866	..	679,298	..
4. Crown Lands taken over and set apart for settlement	..	41,140	..	716,431	3,688,476
5. Interest on Loan Expenditure capitalized during the developmental period	..	126,196	..	7,318,836	..
Less Liability relieved for interest included in excess costs	..	1,579,984	..	205,832	..
..	..	488,859	..	10,540,110	7,113,004
6. Advance to Country Roads Board for road constructions	..	21,000	..	576,147	..
Less Amount held by the Country Roads Board	..	21,000	..	2,665,134	..
7. Amounts held in Trust for sundry persons	..	69,647	..	3,241,281	7,298,829
Less Balance in the Trust Suspense Account	..	69,647	..	3,061,800	..
8. Settlers for Securities Lodged pending Settlement Purchase Lease	..	970	..	1,842,438	1,219,362
Less Securities held for settlers	..	970	..	110,164	..
9. Sundry Creditors for rents paid in advance, &c.	26,636	83,528
10. Amounts provided from Consolidated Revenue to meet interest on loans and costs of administration	..	5,779,007	..	..	407,880
Less Amounts paid to Consolidated Revenue	..	3,958,578	..	..	20,145
Commonwealth Government for one-half share of rents and interest remitted during the Assistance Period	..	14,761	..	..	10,674
..	..	3,973,339	..	..	415,960
..	..	1,805,668	..	..	10,072
13. Commonwealth Government for share of costs in excess of valuations	1,650,006	..
Less Amounts received from the Commonwealth Government	1,608,866	41,140
14. Sundry Debts to Loan Fund Credit Account—	10,920	..
Sundry Persons for Materials supplied	27,588	38,508
Settlers' for Arrears of Principal instalments
15. Sundry Debts to Consolidated Revenue—	38,636
Arrears of Interest, Rents, and Fees due and payable	133,411
16. Interest and Rents accrued since instalment dates
17. Loss on Revenue Account (see explanatory footnote)—	2,194,604	..
Accumulated Deficiency to 30th June, 1955	683,539	..
Deficiency for year ended 30th June, 1956	2,878,143	1,782,990
Less Profits on Working Station Properties	1,095,153	..
					40,145,732

REVENUE ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1956.

(Adjusted to nearest £.)

	£	£	£
<i>Debits.</i>			
Interest on Capital including discount and expenses of loan raising	1,381,344		
Less Interest on Loan Liability transferred to and borne by the State	118,317		
		1,263,027	
Costs of Administration—			
Salaries and Wages	168,194		
Travelling Expenses	8,330		
Stores, Stationery, and Incidentals	10,888		
Maintenance of property, repairs	3,027		
Payments in lieu of Shire Rates	12,895		
		203,334	
Depreciation	2,839		
Bad Debts	1,533		
Less Amount contributed by Commonwealth Government	423		
		1,110	
<i>Credits.</i>			
Interest Earned			446,485
Interest on Expenditure for Land and Improvements capitalized			252,192
Rents, Fees, and sundry earnings			94,607
Contributions by Commonwealth Government of amounts paid in lieu of Shire Rates			8,315
Balance carried down			683,539
			<u>1,485,138</u>
<i>Remissions—</i>			
Rents and Interest remitted during the Assistance Period	29,522		
Less half-share to be contributed by Commonwealth Government	14,761		
	14,761		
Interest waived on overdue instalments	67		
		14,828	
		<u>1,485,138</u>	
Accumulated Deficiency to 30th June, 1955	2,194,604		
Revenue Account Deficiency for year ended 30th June, 1956	683,539		
		2,878,143	
		<u>2,878,143</u>	
Accumulated Profits on Working Station Properties to 30th June, 1955		1,094,898	
Profit on Working Station Properties for year ended 30th June, 1956		255	
Balance			1,095,153
			<u>1,782,990</u>
			<u>2,878,143</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. <i>Remission of rents and interest.</i> —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	£120,555
2. <i>Concessional Interest rate.</i> —The Act fixes the rate to be charged to settlers at 2 per cent. per annum. Having regard to the average interest rate payable on loan moneys the reduced rate amounts to a statutory concession of	£1,192,382
3. <i>Other costs not charged to settlers—</i>	£
(a) Discount and expenses on the raising of loan moneys amounted to	153,162
(b) Costs of administration also borne by the State were	1,280,883
	1,434,045
	2,746,982

S. P. BROMFIELD, Secretary.
R. D. HOWELLS, Accountant.

H. L. SIMPSON, Chairman.
E. SINGLETON, 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, 1956, and the Revenue Account and the Statement of Receipts and Disbursements correctly summarize the transactions of the Commission during the year ended 30th June, 1956.

E. A. PEVERILL, Auditor-General,
29th October, 1956.

SOLDIER SETTLEMENT ACTS.

STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR FINANCIAL YEAR ENDED 30TH JUNE, 1956.

		<i>Receipts.</i>					
				£	s. d.	£	s. d.
Amounts Credited to Consolidated Revenue—							
Interest on Land and Improvements	267,536	13 7		
Interest on Advances	159,896	13 9		
Rents and Agistment	72,385	0 9		
Ascertained Profit on Trading in Live Stock	1,202	18 8		
Recoup of Land Utilization Vote Expenditure	11,448	6 7		
Contribution by Commonwealth Government to meet excess costs and other losses on Soldier Settlement	158,682	19 1		
Contribution by Commonwealth Government to meet amounts paid in lieu of Shire Rates	9,637	19 9		
Sundries	1,687	3 6		
						682,497	15 8
Amounts Credited to Loan Fund Credit Account, Section 5 (2) (c)—							
Receipts in reduction of Purchase Lease Liability	231,361	2 6		
Proceeds, Sale of Land and Improvements	141,165	15 5		
Receipts in reduction of Advances	930,312	1 8		
Proceeds, Sale of Stock, Wool, Plant, and Material	22,640	10 7		
Contribution by Commonwealth Government for share of costs in excess of valuations and other losses	290,250	0 4		
				1,615,729	10 6		
<i>Less</i> Amounts transferred from Interim Credit Account to Receipts in Reduction of Purchase Lease Liability	148,226	9 8		
						1,467,503	0 10
						2,150,000	16 6
<i>Disbursements.</i>							
Expenditure from Consolidated Revenue—							
Proportion of Commissioners' Salaries	6,440	14 1		
Salaries and Wages	128,825	6 4		
Travelling Expenses	7,838	18 2		
Stores, Equipment, and Incidentals	3,180	5 10		
Postage, Telegrams, and Telephones	2,510	13 5		
Printing and Stationery	2,797	4 4		
Maintenance of Motor Vehicles	548	4 3		
Valuation Fees	451	1 2		
Upkeep of Commission's Property	1,844	3 9		
Payments in lieu of Shire Rates	13,044	15 4		
Purchase of Motor Vehicles	1,359	15 0		
				168,841	1 8		
Pay Roll Tax	3,029	19 2		
				171,871	0 10		
Land Utilization	11,998	11 10		
						183,869	12 8
Expenditure from Loans (including £1,599,927 16s. 8d. received from the Commonwealth Government)—							
Purchases of Land	1,658,582	19 11		
Advances—							
For Shares	1,250	0 0		
For Purchase of Land, &c.	646,293	17 2		
For Improvements, Stock, Implements, &c.	677,427	0 10		
				1,324,970	18 0		
Irrigation Development	156,314	17 9		
Other Expenditure—							
Development and Improvement of Estates	2,360,051	1 10		
						5,499,919	17 6
						5,683,789	10 2

S. P. BROMFIELD, Secretary.
R. D. HOWELLS, Accountant.

H. L. SIMPSON, Chairman.
E. SINGLETON, Member.
SYDNEY J. KING, Member.

E. A. PEVERILL,
Auditor-General.
29th October, 1956.