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VICTORIA

ANNUAL REPORT

OF THE

RURAL FINANCE AND
SETTLEMENT COMMISSION

FOR THE

YEAR ENDED 30TH JUNE, 1963

PRESENTED TO BOTH HOUSES OF PARLIAMENT PURSUANT TO SECTION 26 OF THE RURAL
FINANCE AND SETTLEMENT COMMISSION ACT 1961.

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REPORT

Rural Finance and Settlement Commission,
Melbourne, C.2.

The Honorable the Treasurer.

The Rural Finance and Settlement Commission has the honour to submit to you pursuant to Section 26 (3) (c) of the *Rural Finance and Settlement Commission Act 1961* its Annual Report as to its activities, and balance-sheets and statements of accounts in relation to its various functions for the year ended the 30th June, 1963.

LEGISLATION.

The Rural Finance and Settlement Commission Act which provided for the initial merging of the Rural Finance Corporation and the Soldier Settlement Commission passed in December, 1961, foreshadowed further legislation to complete the merger. The *Rural Finance and Settlement Commission Act 1963* was enacted during the Autumn Session of Parliament and in addition to removing the division of the separate Branches (formerly the Soldier Settlement Commission and the Rural Finance Corporation), made provision for the establishment of the Rural Finance and Settlement Fund from which the Commission will conduct its lending under the Rural Finance Act and also meet its administrative costs. Another financial provision in the Act was the establishment of the Rural Finance and Settlement Insurance Fund in lieu of the separate Insurance Funds previously provided under the Soldier Settlement Act, Land Settlement Act, and Rural Finance Act. The legislation provided that these Funds would not come into operation until the 1st July, 1963, and consequently will not be included in the financial statements accompanying this Report. The financial provisions of the legislation and the removal of the division into two separate Branches, each with a different source of funds to meet administrative costs, will require a variation in the presentation of the financial statements relating to the costs of administration in subsequent years.

RETIREMENT OF MR. H. L. SIMPSON.

The 16th March, 1963, saw the retirement of Mr. H. L. Simpson, who was appointed Chairman of the Rural Finance and Settlement Commission on its inception on the 17th March, 1962, and who had previously held the office of Chairman of the Soldier Settlement Commission from its inception in 1945 until it was succeeded by the Rural Finance and Settlement Commission in March, 1962.

In reporting Mr. Simpson's retirement the Commission wishes to pay tribute to the services he rendered in the offices he held.

GENERAL.

The past year has presented a varied but generally satisfactory picture in the rural scene in seasonal conditions, yields, and prices. A picture of varying fortunes is not to be unexpected, and, generally, has been within the reasonable capacity of the more efficient members of the farming community to cope with. However, during recent years, whatever might have been the fortunes of different sections of the primary industries, all sections have been subjected to pressure of costs, a matter largely outside their control.

The year has again highlighted the impact of decisions at Government level on the individual farmer. The contemplated entry by the United Kingdom into the European Economic Community and the subsequent rejection of the proposal, at least for the time being, affected the individual fortunes of large sections of Australian primary producers and yet was quite beyond the capacity of the individual to materially influence the outcome.

These matters are mentioned because the Commission's charter engages it in the development of hitherto unproductive country and at times the change from one form of production to another either through closer settlement or its lending policy.

In almost any proposal involving expansion or change it is not difficult to get advice that projects should not proceed. Risk is always present, particularly if country which has been by-passed over the years is involved. Then again a particular industry may be currently having difficulty in marketing its produce, or an industry may see its position weakened by expansion or change. There have been periods since 1945 when there has been serious pressure against change and against expansion which, given full expression, could well have meant little or no soldier settlement. This is mentioned not with any lack of respect for the opinions expressed at the time or to be wise after the event, but rather to give some picture of the ever changing climate in which decisions have to be made and implemented.

In a world where there are underfed millions and where to whole nations sufficiency is a dream rather than a reality, surely a surplus is better than a scarcity. If land is best suited to a particular form of production, timidity or the short-term outlook are not convincing reasons for leaving it unproductive. On the other hand a surplus should not react against those who have produced it and cause them to see their economic survival in the creation of scarcity. This particular aspect of marketing is a challenge which spreads beyond State boundaries and can only be tackled effectively on the Australia-wide front.

RURAL FINANCE ACT 1958.

During the year the functions previously carried out by the Rural Finance Corporation were carried out by the Finance Branch of the Commission.

An amount of £1,482,408 was made available for the assistance of rural industries, of which £1,329,850 related to primary, and £152,558 to secondary industries.

Since the commencement of the Rural Finance Act loans amounting to £17,833,679 have been made, comprising £14,334,142 to primary and £3,499,537 to secondary industries.

Of the amount of £1,329,850 advanced to primary industry, loans for the purchase of farm properties amounted to £794,280, whilst the balance of £535,570 related to farm improvement and development, seasonal advances and other purposes.

Of the amount made available to secondary industries a substantial portion was made for the further extension of industries which had been established with finance from the Commission in previous years. The new industries receiving assistance were a fish cannery and a light engineering works.

Rural Rehabilitation Fund.

Repayments by farmers whose debts were adjusted under the *Farmers' Debts Adjustment Act 1935* and the Rural Finance Act are being regularly met and payments received during the year amounted to £97,323.

There were no payments out of the Fund during the year and the amount standing to the credit of the Fund as at 30th June, 1963, was £1,792,621.

Owing to the limitation imposed by the Commonwealth under *Loan (Farmers' Debts Adjustment) Act 1935*, this Fund may not be used for advances to farmers, but only for the purpose of effecting Compositions and Schemes of Arrangement with the creditors of necessitous farmers who, without such assistance, would be unable to carry on successfully their farming operations.

Government Agency.

The *Rural Finance Act 1958* provides that where any money is provided from the Public Account for any special purpose the Treasurer of Victoria may, subject to such directions and conditions as he thinks fit, direct the Commission to take charge of the administration of the money for such purpose.

Pursuant to the above authority, loans totalling £626,622 have been made since 1956.

During the year under review Agency loans amounting to £30,425 were made. Of this total, £17,240 related to Primary Industry and the balance of £13,185 to Secondary Industries.

On the primary industry side, most of the payments made during the year were in connexion with loans approved in previous years and are detailed in the accompanying financial statements.

In early 1963, orchardists in the outer metropolitan and other areas suffered severe hail damage. Loans totalling £48,810 were approved for these orchardists to enable them to produce their 1964 crop. To the 30th June, 1963, progress payments on these approved loans totalled £6,803.

Secondary Industry Agency advances amounting to £13,185 were made during the year to a meat processing works and a timber seasoning mill on loans approved in previous years.

SETTLEMENT ACTIVITIES.

Soldier Settlement.

A further six surrendered holdings were re-allotted during the year under review bringing the total number of ex-servicemen allotted holdings under the Soldier Settlement Scheme to 6,161, made up of 2,878 Single-unit farmers and 3,283 settlers under the General Settlement Scheme including 235 ex-servicemen allocated surrendered or forfeited holdings.

Single-unit Farm Advances pursuant to Part VII. of the Soldier Settlement Act 1958.

A summary of the actual advances made under the scheme is set out hereunder :—

Period.	Number of Settlements Effected.	Total Loans.	Average Loans.
		£	£
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
1st July, 1956, to 30th June, 1957	58	356,380	6,144
1st July, 1957, to 30th June, 1958	69	410,560	5,950
1st July, 1958, to 30th June, 1959	72	462,590	6,425
1st July, 1959, to 30th June, 1960	21	165,859	7,898
1st July, 1960, to 30th June, 1961	1	14,801	7,500
1st July, 1961, to 30th June, 1962 .. ..	..	5,613*	..
1st July, 1962, to 30th June, 1963 .. ..	..	1,352*	..
Totals to 30th June, 1963	2,878	11,957,265	4,154

* No new loans will be approved for the purchase of Single-unit Farms under the Soldier Settlement Act as this form of assistance has been suspended since July, 1959, but the amounts expended during the years ending 30th June, 1962, and 30th June, 1963, were for developmental works previously approved.

Capital repayments of Single-unit Farm advances amount to £5,845,882, including the amounts paid by 1,286 settlers in full repayment of their liabilities. Settlers also have £181,865 standing to their credit in their Mortgageors' Credit Accounts.

Assistance Period Granted to Settlers.

An amount of £8,974 was provided during the year by the Commonwealth in accordance with the terms of the War Service Land Settlement Agreement for free living allowances for settlers, bringing the total since the inception of the scheme to £1,209,917.

During the year twelve settlers were granted the benefits of the Assistance Period, bringing the total to 3,163.

Interim and Purchase Credit Accounts.

Settlers have paid £990,646 to their Interim Credit Accounts and of this amount £894,980 has been used to reduce their liabilities under Purchase Leases and the balance £95,666 remains in the Interim Credit Accounts.

Settlers who have been granted Purchase Leases have a total of £359,630 in their Purchase Lease Credit Accounts as at 30th June, 1963.

Advances for Stock, Plant, Equipment, &c., pursuant to Part VIII. of the Soldier Settlement Act 1958.

Advances amounting to £51,932 were made to settlers during the year bringing the total advanced under this Part to £6,083,360.

During the same period £309,194 was received in repayments, bringing the total repayments to £5,592,312.

Of the total amount of £125,164 advanced under Section 117 of the Act for the purchase of shares in Co-operative Processing Factories, £124,698 has been repaid.

Agricultural Loans and Allowances under the Commonwealth Re-establishment and Employment Act 1945.

No advances were made under this Act during the year and of the total amount of £1,796,851 which was advanced to 2,970 ex-servicemen, £1,720,769 has been repaid.

Summary of the position of all Loans made by the Commission under Legislation relating to Ex-servicemen.

—	Total Advances.	Total Repayments.	Written Off.	Balance Outstanding.	In Mortgagors' Credit Account.
	£	£	£	£	£
Single-unit Farm Part VII.	11,957,265	5,845,882	3,257	6,108,126	181,865
Part VIII. Advances for stock, plant, equipment, and working expenses . .	6,083,360	5,592,312	9,737	481,311	..
Advances for Shares	125,164	124,698	..	466	..
Commonwealth Loans	1,796,851	1,720,769	729	75,353	..
	19,962,640	13,283,661	13,723	6,665,256	181,865

Of the total loans made of almost £20,000,000, approximately 66 per cent. has been repaid.

Valuation of Allotments.

During the financial year 1962-63 Interim Lease liabilities were determined for an additional 101 holdings, making a total of 3,050 holdings for which such liabilities have been determined.

Settlement Purchase Leases.

At the 30th June, 1963, 2,547 settlers had been granted Settlement Purchase Leases, of which 180 were granted during the year under review. These leases follow the grant of Settlement Interim Leases and provide for the settlers eventually freeholding their farms.

Quite apart from providing for the repayment of the capital liability by way of instalments over a term of 55 years, the Soldier Settlement Act provides that, after an initial restricted period, any Purchase Lessee may freehold his holding by the repayment of his liability. At the 30th June, 1963, 336 settlers had taken advantage of this provision and obtained Crown Grants for their farms. Of this number, 71 settlers repaid during the year.

A number of the settlers who have freeholded their farms have sold their properties and it is evident that these holdings attract keen interest from buyers. The satisfactory prices these properties have brought on the market are a measure of the regard which the ordinary citizen holds for soldier settlement farms. On the other hand, where a particular section of the community is passing through hard times, the wisdom of placing conservative liability figures on settlers' holdings is apparent.

In the over-all picture, and from applications being made to the Commission for loans under the Rural Finance Act for ordinary citizens desiring to purchase former soldier settlement holdings which come on the market, it is apparent that the soldier settler with a written-down liability, 2 per cent. interest rate and a long term of repayment, is very favourably placed compared with other members of the farming community.

Commonwealth Contribution to Excess Costs of Settlement.

At the 30th June, 1963, the Commission under the arrangement made with the Commonwealth in July, 1951, had lodged Interim Claims in respect of 2,079 blocks in the rainfall areas and 835 blocks in the irrigation areas. In addition, Final Claims have been lodged with the Commonwealth in respect of estates where all settlers hold Purchase Leases. These claims are on the basis of one-half the total excess costs less any payments already made by the Commonwealth.

At the 30th June, 1963, total claims amounting to £6,411,855 14s. 4d. have been lodged. An amount of £5,850,803 11s. 5d. has been paid by the Commonwealth and £561,052 2s. 11d. has been withheld. The amount withheld concerns mainly those items for which no agreement has been reached with the Commonwealth.

Soldier Settlement Insurance Fund.

The following table shows the position of the Insurance Fund under the provisions of the Soldier Settlement Act which provides insurance cover on structural improvements on War Service Land Settlement holdings and Single-unit farms.

<i>Receipts.</i>	£	s.	d.	£	s.	d.
Credit Balance in Fund as at 30th June, 1962 ..	553,256	18	7			
Premiums received during financial year 1962-63 ..	84,743	19	7			
				638,000	18	2

<i>Payments.</i>	£	s.	d.	£	s.	d.
Claims paid during financial year 1962-63—						
Reinstatement	12,879	4	8			
Section 105 (8) (b) (i) Reduction of liabilities of insurance where reinstatement not desirable ..	2,306	9	0			
Administration Expenses	12,983	3	3			
Balance of Fund, 30th June, 1963	609,832	1	3			
				638,000	18	2

Arrears of premiums at 30th June, 1963, amounted to £2,197 1s. 9d.

Claims admitted but not paid at 30th June, 1963, amounted to £3,773 16s.

SETTLEMENT UNDER THE LAND SETTLEMENT ACT 1959.

Acquisition of Land.

During the past year, the Commission completed the purchase of an additional 236 acres of freehold land for development and subdivision in connexion with the East Goulburn Irrigation Project, at a cost of £8,259. The total area of freehold land acquired pursuant to the Land Settlement Act thus stands at 17,538 acres, purchased at a total cost of £594,914.

The area of Crown land set apart for settlement under this Act remained static at 80,851 acres.

Allocation of Farms.

During the past twelve months, the Commission found it necessary on the Crown land developmental projects to slacken the rate at which holdings were made available for application. This will result in an increased number of holdings being allocated in the coming twelve months. Forty-seven holdings were made available bringing the total holdings allocated under the *Land Settlement Act 1959 to 197*, being 110 dairy farms under rainfall conditions, 61 soft fruit orchard holdings, and 26 irrigation dairy farms.



Irrigation Dairy Farm at East Goulburn.

Heytesbury Project.

The Heytesbury Project near Cobden is possibly the largest Crown land development scheme of its kind undertaken in Australia.

In the autumn of 1962 the pastures were affected by a severe grub infestation coupled with dry seasonal conditions. The effects of this were apparent during the year under report, and the effect was perhaps heaviest on those settlers who were just settling in to their farms.

A further infestation of grubs occurred in the autumn of 1963 which was also dry, and the Commission with the help of the Department of Agriculture took steps in respect of the pastures on unallocated areas and established a relatively successful method of combating the pests with D.D.T. emulsion. Settlers adopted varying methods, many successful, whilst others had less favourable results due in some instances to the time or method of treatment and, in others, to the insecticides used.

Six out of the 95 settlers in occupation surrendered their holdings. Adverse publicity attended these departures. Time will afford the answer to the correctness or otherwise of those ready to cast shadows of doubt on this project. Whatever the final answer, the large-scale development of virgin country by Government agency offers an opportunity to many to become possessed of productive farms with housing and shedding which is a far cry from the labours and trials otherwise associated with development of virgin country by those without the capital and other resources for the task.



Rotary Hoe Operations at Yanakie.

The following statement sets out details of land development at Heytesbury which commenced in 1956 :—

	During 1962-63.	Total as at 30th June, 1963.
	acres.	acres.
Area cleared	8,785	59,680
Area ploughed	7,310	55,432
Area sown to pasture	6,893	51,584

In addition the following structural improvements have been completed apart from those still under construction :—

139 Houses ; 140 Dairies ; 140 Utility Sheds.

101 Haysheds ; 570 miles of Fencing.

115 miles of roading were constructed with the Country Roads Board as the constructing authority.

East Goulburn Irrigation Area.

Satisfactory progress has been made in the development of this area. A further twelve orchard holdings were allocated together with a further seventeen dairy farms, each of which was sown to a basic area of 55 acres of permanent pasture and 15 acres of winter pasture.

The total number of dairy farms now allotted is 26, which with 61 orchard blocks brings the total holdings allocated at East Goulburn to 87.

Land preparation commenced early in the year for an additional 22 dairy farms, sowing commenced during the autumn but due to continued wet weather, it was not possible to complete this work which has been suspended until the spring when the farms will be allocated.

Planning is in hand for the development of a further twenty dairy farms on this project for sowing to pasture in the autumn of 1964.

On the community side of this settlement scheme a school for primary pupils is now established and a new church has been erected within the area.

Yanakie.

Development of the virgin country on this project is nearing completion, with the wetter and more difficult sections of the Red Swamp receiving attention. The measure of success in this year's sowing is too early to assess, but indications are satisfactory.

The total area sown as at the 30th June, 1963 (excluding the soldier settlement area) is 6,220 acres, which should subdivide into 30 farms, fifteen of which have settlers already in occupation.

Advances pursuant to Division 6 of the Land Settlement Act.

The total of advances made under this Division up to the 30th June, 1963, is £94,526, and of this amount £24,954 has been repaid leaving a balance owing of £69,572.

As allocation of land under the provisions of the Land Settlement Act continues, it may be expected that the amount advanced to assist settlers to purchase essential stock, plant, and equipment will increase each year.



A Canning Fruit Orchard at East Goulburn.

LAND SETTLEMENT INSURANCE FUND.

The following table shows the position of the Insurance Fund established under the provisions of the *Land Settlement Act* 1959.

<i>Receipts.</i>		£	s.	d.	£	s.	d.
Balance of Fund, 30th June, 1962	.. ..	4,055	1	2			
Premiums received during financial year 1962-63	.. ..	5,276	10	6			
		<hr/>			9,331	11	8
<i>Payments.</i>							
Claims paid during financial year 1962-63—							
Reinstatement	.. ..	152	2	10			
Section 105 (8) (b) (i) reduction of liabilities of insured where reinstatement not desirable	.. ..					
Administration Expenses	.. ..	724	14	11			
Balance of Fund 30th June, 1963	.. ..	8,454	13	11*			
		<hr/>			9,331	11	8

* Balance of fund includes £700 advanced from Public Account during 1960-61.

Arrears of premiums at 30th June, 1963, amounted to £338 19s. 2d.

Claims admitted but not paid at 30th June, 1963, amounted to £6.

STAFF.

The Commission wishes to record its appreciation for the co-operation of its staff and the manner in which its officers have continued to carry out their duties.

It also desires to express its appreciation to the Victorian Branch of the Returned Sailors Soldiers and Airmen's Imperial League of Australia and to those other Departments and Instrumentalities from which it has received co-operation and advice.

I. K. MORTON, Chairman.

C. O. HARRY, Member.

L. L. BEARDSELL, Member.

W. J. EVANS, Secretary.

RURAL FINANCE AND SETTLEMENT COMMISSION.
FINANCE BRANCH.
(Formerly Rural Finance Corporation.)

BALANCE-SHEET AS AT 30TH JUNE, 1963.
 (Adjusted to the nearest £.)

	£	£	
1962			
9,271,109	9,941,754	9,601,798	
364,925	425,746	11,181	
8,906,184	9,516,008	1,755	
365,869	428,153	12,936	
494,976	584,911	6,002	
860,845	1,013,064	6,934	
6,523	5,871	12,446	
1,840	2,649	24,500	
12,388	14,548	273,695	
29,760	33,598	310,641	
50,511	56,702		
9,817,540	10,585,774	666,401	
12,403	10,140	10,585,774	
2,351,346	2,351,346	558,725	
2,363,749	2,361,486	568,865	
12,181,289	12,947,260	1,792,621	
		2,361,486	
		12,947,260	

	£	£	
1962			
9,191,057	Loans under Part III. <i>Rural Finance Act 1958</i>	..	..
8,237	Fixed Assets—	..	..
1,755	Furniture and Office Equipment at cost	..	11,181
	Motor Vehicle at Cost	..	1,755
9,992	<i>Less</i> —Provision for Depreciation	..	12,936
4,460		..	6,002
5,532	Investments—At Cost on account of—	..	6,934
12,322	Long Service Leave ..	..	12,446
24,500	Superannuation ..	..	24,500
273,245	General Reserve ..	..	273,695
310,067	Current Assets—	..	310,641
944	National Debt Sinking Fund Cash	..	2,407
175,473	Interest Due and Accrued ..	..	157,381
1,094	Prepayments ..	..	1,051
8,373	Cash—	..	51,562
125,000	At Bank and On hand ..	..	454,000
310,884	At Call ..	..	666,401
9,817,540	Advances &c., out of Special Funds—	..	10,585,774
12,403	Advances under <i>Farmers' Debts Adjustment Act 1943</i>	..	10,140
656,048	Advances under <i>Farmers' Debts Adjustment Act 1935</i> and Part IV.	..	558,725
668,451	<i>Rural Finance Act 1958</i>	..	568,865
1,694,726	Held by Treasurer of Victoria—	..	1,792,621
572	Rural Rehabilitation Fund	..	..
2,363,749	Cash in Transit	..	2,361,486
12,181,289		..	12,947,260

The accounts of the Finance Branch of the Rural Finance and Settlement Commission, have been audited for the year ended 30th June, 1963, and, in my opinion the Balance-sheet is a correct statement of the financial position of the Branch at the close of the period, and the Profit and Loss Account correctly summarizes its operations during the year.

R. W. GILLARD, Auditor-General,
8th November, 1963.

I. K. MORTON, Chairman.
 C. O. HARRY, Deputy Chairman.
 L. L. BEARDSELL, Member.
 W. J. EVANS, Secretary.

RURAL FINANCE AND SETTLEMENT COMMISSION.

FINANCE BRANCH.

GOVERNMENT AGENCY DEPARTMENT.

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1963.

(Adjusted to the nearest £.)

	£	£	£
Receipts—			
Cash in Hand Brought Forward 1st July, 1962			6,261
Funds Provided by Treasurer of Victoria from Loan Funds			35,000
Repayments by Borrowers—			
Principal		38,970	
Interest		16,086	
		—————	55,056
			96,317
Payments—			
Loans and Advances—			
Flood Relief—Lake Corangamite	1,320		
Rehabilitation of Peach Growers—Goulburn Valley	375		
Capital Improvements—Sunraysia District	2,874		
Secondary Industries	13,185		
Assistant to Tobacco Growers	450		
Capital Improvements—Tresco District	5,418		
Hail Damage 1963—Orchardists	6,803		
		—————	30,425
Repayments Treasurer of Victoria—			
Principal	38,970		
Interest	16,086		
		—————	55,056
			85,481
Cash in Hand Carried Forward 30th June, 1963			10,836

I. K. MORTON, Chairman.

C. O. HARRY, Deputy Chairman.

L. L. BEARDSELL, Member.

W. J. EVANS, Secretary.

The Statement of Receipts and Payments correctly summarizes the transactions on the Agency Account of the Rural Finance and Settlement Commission for the year ended 30th June, 1963. All payments from the Account in that period were made for the respective purposes for which the funds were provided by the Treasurer of Victoria.

R. W. GILLARD, Auditor-General,
8th November, 1963.

RURAL FINANCE AND SETTLEMENT COMMISSION.
FINANCE BRANCH.

GOVERNMENT AGENCY DEPARTMENT.

STATEMENT OF BALANCES AS AT 30TH JUNE, 1963.

(Adjusted to the nearest £.)

1962.	£	£	£
602,458	Advances from Treasurer of Victoria .. .. .	..	637,458
165,437	<i>Less</i> Repayments .. .. .	..	204,408
<u>437,021</u>			<u>433,050</u>
Loans And Advances under Government Agency Schemes—			
162,915	Flood Relief—Lake Corangamite .. .. .	..	148,515
37,372	Rehabilitation of Peach Growers—Goulburn Valley .. .. .	..	34,570
43,871	Capital Improvements—Sunraysia District .. .. .	..	38,743
155,278	Secondary Industries .. .. .	..	167,206
4,112	Assistance to Apiarists .. .. .	..	2,797
2,450	Assistance to Tobacco Growers .. .. .	..	..
5,499	Hail Damage—Sunraysia District .. .. .	..	4,366
800	Drought Relief—Western Victoria .. .. .	..	600
10,120	Tourist Development .. .. .	..	8,740
5,774	Hail Damage—Tresco District .. .. .	..	2,528
1,810	Tidal Flooding—Anderson's Inlet .. .. .	..	1,720
759	Capital Improvements—Tresco District .. .. .	..	5,626
..	Hail Damage 1963—Orchardists .. .. .	..	6,803
<u>430,760</u>			<u>422,214</u>
6,261	Cash in Hand .. .. .	..	10,836

I. K. MORTON, Chairman.

C. O. HARRY, Deputy Chairman.

L. L. BEARDSSELL, Member.

W. J. EVANS, Secretary.

The Statement of Balances correctly shows the application of advances from the Treasurer of Victoria for agency purposes as at 30th June, 1963.

R. W. GILLARD, Auditor-General,
8th November, 1963.

RURAL FINANCE AND SETTLEMENT COMMISSION.

SOLDIER SETTLEMENT ACTS.
BALANCE-SHEET AS THE 30TH JUNE, 1963.

(Adjusted to the nearest £.)

CREDIT BALANCES.		DEBIT BALANCES.	
£	£	£	£
1. Loan Expenditure*	58,104,129	1. Estates Purchased not disposed of, including expenses of subdivision, development and improvement	2,417,718
Less—Repayments to Loan Fund Credit Account	18,322,915	2. Disposal of Unsuitable Land	1,622,200
Loan Liability	39,781,214	Less—Proceeds of sales	1,230,774
Less—Loan Liability transferred to and borne by the State	14,669,425	Principal charged under contracts of sale	99,254
	25,111,789		1,330,028
2. Amounts Advanced by the Commonwealth Government	7,198,703	3. Land and Improvements held under Settlement Purchase Lease	22,307,666
Less—Repayments to Commonwealth Government	256,001	Less—Principal instalments charged	1,057,826
	6,942,702	Receipts in excess of instalments charged	3,393,489
3. Amounts Claimed from Commonwealth Government under an agreement to share costs in excess of valuations	6,333,505	4. Land and Improvements held under Settlement Interim Lease	17,856,351
Less—Amounts contributed by the Commonwealth Government	5,772,453	Less—Receipts in reduction of Settlers' liabilities	4,964,010
	581,052		85,666
4. Crown Lands taken over and set apart for settlement .. .. .	.. .. .	5. Advances to Finance Single-unit Farms	11,957,265
5. Interest on Loan Expenditure capitalized during the developmental period	2,605,106	Less—Principal instalments charged	1,319,170
Less—Liability relieved for interest included in excess costs	2,406,870	Receipts in excess of instalments charged	4,729,010
	198,236		6,048,180
6. Amounts Held in Trust for sundry persons	78,979	6. Advances to Effect Improvements and to purchase Stock, Implements, &c.	6,067,479
Less—Balance in the Trust Suspense Account	78,979	Less—Principal instalments charged	5,460,841
	.. .. .	Receipts in reduction of advances	134,174
7. Sundry Creditors for rents paid in advance &c.	8,099	7. Advances to Purchase Shares in Canneries, Packing Sheds, &c.	5,595,015
8. Amounts Provided from Consolidated Revenue to meet interest on loans and costs of administration	16,426,971	Less—Principal instalments charged	125,164
Less—Amounts paid to Consolidated Revenue	8,811,935		124,698
Commonwealth Government for one-half share of rents and interest remitted during the assistance period	1,254		466
	8,813,189		2,903
	7,613,782		52,597
		
			561,052
			196
			18,227
			18,423
			41,008
			171,315
			8,345,068
			844,770
			9,189,838
			1,277,501
			7,912,337
			40,576,235

* Excludes £1,971,461 Transferred to Land Settlement No. 2.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1963.

(Adjusted to the nearest £.)

DEBITS.		CREDITS.	
	£		£
Interest on Capital	1,796,230	Interest Earned	647,530
Less—Interest on Loan Liability transferred to and borne by the State	445,294	Rents, fees and sundry earnings	11,075
	1,350,936	Contributions by Commonwealth Government of amounts paid in lieu of Shire Rates	3,945
Costs of Administration—		Balance carried down	844,770
Salaries and Wages	124,560		
Travelling Expenses	4,245		
Stores, stationery and incidentals	6,589		
Maintenance of Property, repairs	4,284		
Payments in lieu of Shire Rates	183		
Depreciation	139,861		
Bad Debts	1,557		
	1,309		
Remissions—			
Rents and interest remitted during the assistance period	2,508		
Less—Half-share to be contributed by Commonwealth Government	1,254		
	1,254		
Interest on expenditure for land and improvements capitalized	12,403		
	1,507,320	Accumulated Profits on working station properties to 30th June, 1962	1,277,501
Accumulated Deficiency to 30th June, 1962	8,345,068	Profit on working station properties for year ended 30th June, 1963	—
Revenue Account Deficiency for year ended 30th June, 1963	844,770		
	9,189,838	Accumulated Deficiency to 30th June, 1963	—
	9,189,838		

The accumulated deficiency shown in the Balance-Sheet and Profit and Loss 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. *Remissions 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 188,283
2. *Concessional interest rate*—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 5,255,160
3. *Other costs not charged to settlers*—
 - (a) Discount and expenses on the raising of loan moneys amounted to... .. . 475,990
 - (b) Costs of administration also borne by the State were 2,586,138

3,062,128

8,505,571

I. K. MORTON, Chairman.
 C. O. HARRY, Member.
 L. L. BEARDSELL, Member.
 W. J. EVANS, Secretary.
 L. PEVERILL, Accountant.

The accounts of the Rural Finance and Settlement Commission in respect of Soldier Settlement under the *Soldier Settlement Act 1958*, have been audited and, in my opinion, the balances shown in the Balance-Sheet properly disclose the position in relation to the said Soldier Settlement as at 30th June, 1963, and the Revenue Account and the Statement of Receipts and Disbursements correctly summarize the relevant transactions during the year ended 30th June, 1963.

R. W. GILLARD, Auditor-General,
 1st October, 1963.

RURAL FINANCE AND SETTLEMENT COMMISSION.

SOLDIER SETTLEMENT ACTS.

STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR FINANCIAL YEAR ENDED
30TH JUNE, 1963.

		RECEIPTS.					
		£	s.	d.	£	s.	d.
Amount Credited to Consolidated Revenue—							
Interest on Land and Improvements .. .. .	..	490,654	13	11			
Interest on Advances .. .. .	..	144,147	2	9			
Rents and Agistment .. .. .	..	9,201	0	0			
Ascertained Profit on Trading Accounts .. .. .	..	41,560	5	6			
Contribution by Commonwealth Government to meet excess costs and other losses on Soldier Settlement .. .. .	..	338,791	13	0			
Contribution by Commonwealth Government to meet amounts paid in lieu of Shire Rates ..	..	3,947	10	0			
Sundries .. .. .	..	2,035	2	0			
							1,030,337 7 2
Amounts Credited to Loan Fund Credit Account Section 5 (2) (c)—							
Receipts in reduction of Purchase Lease Liability .. .. .	..	825,340	5	7			
Proceeds, sale of Land and Improvements .. .. .	..	11,744	5	7			
Receipts in reduction of Advances .. .. .	..	748,922	7	7			
Contribution by Commonwealth Government for share of costs in excess of valuations and other losses .. .. .	..	169,198	13	10			
							1,755,205 12 7
Proceeds, sale of Stock, Wool, Plant, and Material .. .. .	..	3,031	10	4			
							1,758,237 2 11
							2,788,574 10 1

		DISBURSEMENTS.					
		£	s.	d.	£	s.	d.
Expenditure from Consolidated Revenue—							
Proportion of Commissioners' Salaries .. .. .	..	4,077	12	8			
Salaries and Wages .. .. .	..	94,061	2	9			
Travelling Expenses .. .. .	..	4,173	4	4			
Stores, Equipment, and Incidentals .. .. .	..	1,941	11	1			
Postage, Telegrams, and Telephones .. .. .	..	1,678	11	2			
Printing and Stationery .. .. .	..	2,427	2	0			
Maintenance of Motor Vehicles .. .. .	..	1,408	17	1			
Upkeep of Commission's Property .. .. .	..	1,964	7	3			
Payments in lieu of Shire Rates .. .. .	..	203	19	9			
Purchase of Motor Vehicles .. .. .	..	517	15	0			
Valuation Fees .. .. .	..	23	14	0			
							112,477 17 1
Pay-roll Tax .. .. .	..	2,268	11	10			
							114,746 8 11
Expenditure from Loans—							
Purchases of Land .. .. .	..		45	15 1			
<i>Advances—</i>							
For Purchase of Land, &c. .. .. .	..	1,351	14	5			
For Improvements, Stock, Implements, &c. .. .. .	..	51,932	0	11			
							53,283 15 4
<i>Other Expenditure (including Irrigation Development)—</i>							
Development and Improvement of Estates .. .. .	..	37,504	16	0			
							90,834 6 5
							205,580 15 4

I. K. MORTON, Chairman.
 C. O. HARRY, Member.
 L. L. BEARDSSELL, Member.
 W. J. EVANS, Secretary.
 L. PEVERILL, Accountant.

R. W. GILLARD, Auditor-General.

LAND SETTLEMENT No. 2.

LAND SETTLEMENT ACT.

STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR FINANCIAL YEAR ENDED
30TH JUNE, 1963.

RECEIPTS.

	£	£
Amounts Credited to Consolidated Revenue—		
Interest on Land and Improvements	32,598 18 0	
Interest on Advances	1,012 10 3	
Rents and Agistment	29,565 16 6	
Recoups of Land Utilization Vote Expenditure	19,908 8 1	
		83,085 12 10
Amounts Credited to Loan Fund Credit Account Section 5 (2) (e)—		
Proceeds, sale of Land and Improvements	24,123 1 4	
Receipts in reduction of advances	18,379 15 4	
Proceeds, sale of Plant and Materials, &c.	22,458 4 11	
		64,961 1 7
		<u>148,064 14 5</u>

DISBURSEMENTS.

	£	£	£
Expenditure from Consolidated Revenue—			
Proportion of Commissioners' Salaries	2,878 8 4		
Salaries and Wages	57,433 4 6		
Travelling Expenses	737 0 6		
Stores, Equipment and Incidentals	1,463 4 8		
Postage, Telegrams and Telephones	1,139 0 9		
Printing and Stationery	2,435 13 4		
Maintenance of Motor Vehicles	825 13 4		
Upkeep of Commission's Property	887 7 5		
Payments in lieu of Shire Rates	3,494 13 4		
		71,294 6 2	
Pay-Roll Tax		1,319 5 5	
		72,613 11 7	
Land Utilization		19,701 8 0	
			92,314 19 7
Expenditure from Loans—			
<i>Purchases of Land</i>		16,347 2 8	
<i>Advances</i>		67,796 2 7	
<i>Expenditure—Development and Improvement of Estates</i>		1,330,021 13 4	
			1,414,164 18 7
			<u>1,506,479 18 2</u>

I. K. MORTON, Chairman.

C. O. HARRY, Member.

L. L. BEARDSELL, Member.

W. J. EVANS, Secretary.

L. PEVERILL, Accountant.

R. W. GILLARD, Auditor-General.