

1964-65
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VICTORIA

ANNUAL REPORT
OF THE
RURAL FINANCE AND
SETTLEMENT COMMISSION
FOR THE
YEAR ENDED 30TH JUNE, 1964

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 respect of its various functions for the year ended the 30th June, 1964.

GENERAL.

Conditions throughout the primary producing areas were bouyant with generally favourable seasons and markets. There were exceptions to this picture and one group were those engaged in the production of soft fruit for canning where conditions were not favourable.

The price of farming land has tended to rise to high levels and the Commission, in its lending policy, has endeavoured not to contribute to over-borrowing based on what the most optimistic individual will pay on a rising market. On the other hand, it has endeavoured to go the extra mile for the younger person starting out on his career as a farm owner with barely sufficient resources to bridge the gap. The Commission has also endeavoured to exercise care in taking over the debts of a prospective borrower whose bank manager may be anxious to have an overdraft reduced, unless it can be satisfied that there are good and special reasons behind the desire for change.

In the field of lending to country secondary industry there was, towards the end of the financial year, a greater interest being shown in plans for expansion in line with the expansionary influences in the community generally.

A number of industries established with loans from the Commission in previous years enjoyed satisfactory results and are proving to be well conducted, efficient and highly skilled in their field. There are those, too, which are having their set backs. The Commission has tried to get closer to an understanding of the day to day operations of the country industry going through a difficult or formative period to see what help it can give.

Financial assistance in such circumstances involves a measure of risk but, in the final analysis, bricks and mortar are not always a good asset or readily realizable unless some useful activity goes on within its walls, and to this end the risk is often worthwhile if there is complete understanding between the Commission and the management.

A matter causing the Commission some concern is when a web of interlocking directorships and subsidiary companies emerge as part of the process of running a decentralized industry which requires lending on terms beyond the limit of ordinary commercial practice. With this the Commission has no quarrel if it can be satisfied that the sometimes intricate and complicated set-up is finally for the real benefit of the company seeking help, and the Commission has found itself having to scrutinize interlocking transactions that it may otherwise not wish to bring within its oversight.

There is a practical limit to how far the Commission can intrude in these matters, and intrusion often leads to prolonged and tedious negotiation not always conducive to the best possible result for the decentralized industry in question, made worse if there are too many conflicting interests.

In these matters the Commission has endeavoured to take the most practical line open to it consistent with helping the decentralized industry, but this is often not without some risk.

ADMINISTRATION.

In its last Report the Commission made reference to the fact that the *Rural Finance and Settlement Commission Act 1963* provided for the establishment of the Rural Finance and Settlement Fund and the Rural Finance and Settlement Insurance Fund. These took effect as from the 1st July, 1963, and require a variation in the presentation of the financial statements including those relating to administration costs.

It will be noted that, with the establishment of the new Funds and the reorganization of the accounting procedures, the opportunity has been taken to present the balance-sheets and other financial statements in a different form to previous years. Because some of these statements had no counterparts in previous years, no comparative figures for 1963-64 financial year are shown. However, in future statements, the details given will show the comparison between the current year and the previous year.

The major difference in the financial arrangements is that, in addition to conducting its ordinary lending under Part III. of the Rural Finance Act from the Rural Finance and Settlement Fund, the Commission is now required to meet its total administrative costs from such fund which, in turn, is reimbursed by an appropriation from Consolidated Revenue in respect to administrative costs associated with soldier settlement and land settlement. The Rural Finance and Settlement Commission Act also requires costs to be apportioned between the various functions of the Commission.

It will be appreciated that many of the costs of administration are of such a general nature that it could not be properly said that an exact proportion related to this function or the other. In an endeavour to adopt an approach likely to meet the changing conditions of an integrating organization and at the same time meet the requirements of the Act the Commission, in apportioning its administrative costs, had regard to both the annual expenditure on the individual functions carried out by it—this being considered a reasonable gauge of the year's activities—and to the overall finances involved in each function—this being regarded as a measure of the work involved in administering the affairs of settlers and borrowers helped in previous years, and of administering those developmental projects where holdings have not yet been allocated to settlers.

In view of the varied duties of many of the staff, particularly field officers, it was deemed advisable to transfer administrative motor vehicles to the Fund now responsible for administrative costs, and a cash adjustment was effected with the loan liability for these assets previously purchased with soldier settlement monies.

It is also appropriate to mention that, during the year under report, the accounting functions of soldier and land settlement previously carried out by the Department of Lands and Survey on behalf of the Commission were transferred and are now conducted by the Commission's own staff. The Commission wishes to record its appreciation of the manner in which officers of the Department handled the accounts of soldier settlement since 1946 and, in later years, land settlement. It also wishes to record its appreciation for the manner in which the accounting personnel of the Department and the Commission effected the change-over.

INSURANCE.

The new amalgamated Insurance Fund came into operation on the 1st July, 1963, and details of the Fund are set out in the accompanying financial statements. This Fund now covers insurance under the Soldier Settlement, Land Settlement and Rural Finance Acts.

As at the 30th June, 1964, there were 4,607 policies in force and the total insured cover amounted to just over £23,500,000.

The insurance provisions of the Rural Finance and Settlement Commission Act provide that when the Auditor-General, having regard to the amount standing to the credit of the Insurance Fund, the probable income and the claims likely to be made against the Fund, is satisfied there is a surplus in the Fund, he shall so certify and such surplus shall be paid into the Rural Finance and Settlement Fund and thus become available for lending under the Rural Finance Act. This matter has been raised with the Auditor-General and will be further considered in the light of additional information being presented to him.

RURAL FINANCE ACT 1958.

Part III. Advances.

During the year ended 30th June, 1964, an amount of £1,853,186 was made available for the assistance of rural industries of which £1,731,975 related to primary and £121,211 to secondary industries.

Of the amount of £1,731,975 advanced to primary industry, loans for the purchase of farm properties amounted to £994,050, whilst the balance of £737,925 related to farm improvements and development, seasonal advances and other purposes.

Of the amount made available to secondary industries, the major 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 co operative fruit grading centre, a light engineering works and a tile manufacturing works.

The affairs of the Colac Brick Co. Ltd. have been placed under an Official Manager with a Committee of Management on which the Commission is represented as the major creditor. This action enabled the Company to continue operations during a period in which creditors and shareholders will have an opportunity to assess the possibilities for the future.

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 £79,319.

There being no payments out of the Fund during the year, the amount standing to the credit of the Fund as at 30th June, 1964, was £1,871,940.

Owing to the limitation imposed by the Commonwealth under *Loan (Farmers' Debts Adjustment) Act 1935*, this Fund cannot 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 £698,704 have been made since 1956.

During the year under review Agency loans amounting to £72,082 were made. Of this total, £53,495 related to Primary Industry and the balance of £18,587 to Secondary Industries.

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

SETTLEMENT ACTIVITIES.

Soldier Settlement.

As no new land has been made available for some time and, as the majority of settlers under this scheme have received or are approaching receipt of Settlement Purchase Leases, the incidence of surrendered and forfeited farms is fast diminishing and can be expected to be eliminated in the near future. In the past year two surrendered or forfeited holdings were re-allocated, thus bringing the number of ex-servicemen allocated holdings to 3,285.

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

Since the inception of the scheme in 1947, advances totalling £11,958,469 have been made to 2,878 individual ex-servicemen. No new loans have been approved since this form of assistance was suspended in 1959 but, during the last financial year, £1,204 was expended on developmental works previously approved.

Repayments of capital amount to £6,252,256 including 1,386 settlers who have fully repaid their liabilities and, in addition, borrowers under this scheme have £165,876 standing to their credit in their Mortgagors' Credit Accounts.

Assistance Period Granted to Settlers.

A sum of £3,156 was provided during the year by the Commonwealth pursuant to the War Service Land Settlement Agreement for free living allowances for soldier settlers in the early stages of occupation. The total so provided since the commencement of settlement is £1,213,073 to 3,167 settlers.

Interim and Purchase Credit Accounts.

Nine hundred and ninety-four thousand three hundred and forty-eight pounds has been paid by settlers to their Interim Credit Accounts and, of this, £940,248 has been applied in reduction of their liabilities at Purchase Lease and £54,100 still remains, at this stage, in Interim Credit Accounts. A total of £354,505 stands to the credit of settlers in their Purchase Credit Accounts.

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

Advances of £39,064 were made to settlers during the year and repayments received during the same period amounted to £242,193.

Advances pursuant to Section 117 of the Act for the purchase of shares in Co-operative Processing Factories have all now been repaid.

It is a matter of interest that two successful post-war Co-operatives were established by advances to soldier settlers to purchase shares and by loans to the companies under the Rural Finance Act. These are the Murray Goulburn Co-operative Co. Ltd. and the Robinvale Producers Co-operative Co. Ltd.

Of Agricultural loans totalling £1,796,851 pursuant to the provisions of the *Commonwealth Re-establishment and Employment Act 1945*, the total now repaid is £1,737,080.

General.

Following is a 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.
	£	£	£	£
Single-unit Farm Part VII.	11,958,469	6,252,256	3,257	5,702,956
Part VIII. Advances for stock, plant, equipment and for working expenses	6,122,424	5,840,648	10,117	271,659
Advances for Shares	125,164	125,164	..	..
Commonwealth Loans	1,796,851	1,737,080	729	59,042
Totals	20,002,908	13,955,148	14,103	6,033,657

It will be noted that, of total loans in excess of £20,000,000, over 70 per cent. has been repaid and amounts written off amount to less than one-tenth of 1 per cent. of this total.

The first effects of an amendment to the Soldier Settlement Act, which was proclaimed late in the preceding year, were felt during the year under review. Under this amendment (Section 67A) provision was made whereby a soldier settler whose Purchase Lease had been in force long enough for him to be eligible to freehold the farm could, subject to certain conditions laid down, require the Commission to arrange for the issue of a Crown Grant of the farm conditionally upon the execution of a mortgage in favour of the Commission to secure repayment of the balance of the liability under the Purchase Lease. The term of the mortgage is not to exceed 20 years and the interest rate shall be the credit account rate applicable at the time—in other words, long-term bond rate.

Under such an arrangement, a settler is able to be released from the restrictions which go with the 2 per cent. interest rate and long repayment term under the Purchase Lease. For example, a settler who desires to retain his farm but, for personal reasons, wishes to reside in the town and lease the property or share farm it, may do so by taking advantage of the new provision.

During the current year 25 settlers have taken advantage of this provision and have executed freehold mortgages in the Commission's favour. The total amount secured by these mortgages was £159,090, of which £13,917 was repaid during the year leaving a balance of £145,173 outstanding.

It is to be expected that, with the effluxion of time, more and more settlers will wish to take advantage of this provision.

Valuation of Allotments.

During the financial year 1963-64, Interim Lease liabilities were determined for twenty holdings, making a total of 3,070 holdings for which such liabilities have been determined.

Settlement Purchase Leases.

At the 30th June, 1964, 2,784 settlers had been granted Settlement Purchase Leases, of which 237 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. The Soldier Settlement Act provides that, in addition to the provision for the repayment of the capital liability by way of instalments over a term of 55 years, any Purchase Lessee may freehold his holding by the repayment of his liability at any time after the restricted period. At the 30th June, 1964, 451 settlers had obtained Crown Grants for their farms, which includes 115 settlers repaid during the year.

Some of these settlers have continued on their farms but, where others have sold, it has again been demonstrated by the prices obtained for their holdings that the ordinary citizen places a high value on soldier settlement farms. It is pertinent to record that even in those districts where vocal groups of settlers were ready to decry their farms or the opportunities offered to them, the prices they have obtained for their farms do not support their criticism.

Commonwealth Contribution to Excess Costs of Settlement.

At the 30th June, 1964, the Commission under the arrangement made with the Commonwealth in July, 1951, has lodged Interim Claims in respect of 2,103 blocks in the rainfall areas and 843 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, 1964, total claims amounting to £6,858,196 18s. 6d. have been lodged. An amount of £6,166,077 14s. 7d. has been paid by the Commonwealth and £692,119 3s. 11d. has been withheld. The amount withheld concerns mainly those items for which no agreement has yet been reached with the Commonwealth.

SETTLEMENT UNDER THE LAND SETTLEMENT ACT 1959.

Acquisition of Land.

During the past year, the Commission purchased an additional 60 acres of freehold land for inclusion in the Heytesbury Project, bringing the total area of freehold land acquired pursuant to the Land Settlement Act to 17,593 acres, purchased at a total cost of £596,914.

No additional Crown Land was set apart for settlement under this Act during the year, and the total area set apart remains at 80,851 acres.

Allocation of Farms.

During the year under review 78 farms were allocated and a further 23 were in the final processes of allocation.

The overall position at present is that of 298 farms so far advertised, 275 have been allotted, comprising 158 dairy farms under rainfall conditions, 48 irrigation dairy farms and 69 soft fruit orchard holdings. A further six farms surrendered or forfeited by the original allottees have also been re-allocated.

There is a continued demand from prospective farmers desiring an opportunity to obtain a developed farm under the Land Settlement Act. The demand for orchard holdings has not been as high as for dairy farms, no doubt reflecting the relatively unfavourable conditions applying to that industry.



Aerial view of the administrative centre Heytesbury settlement area.

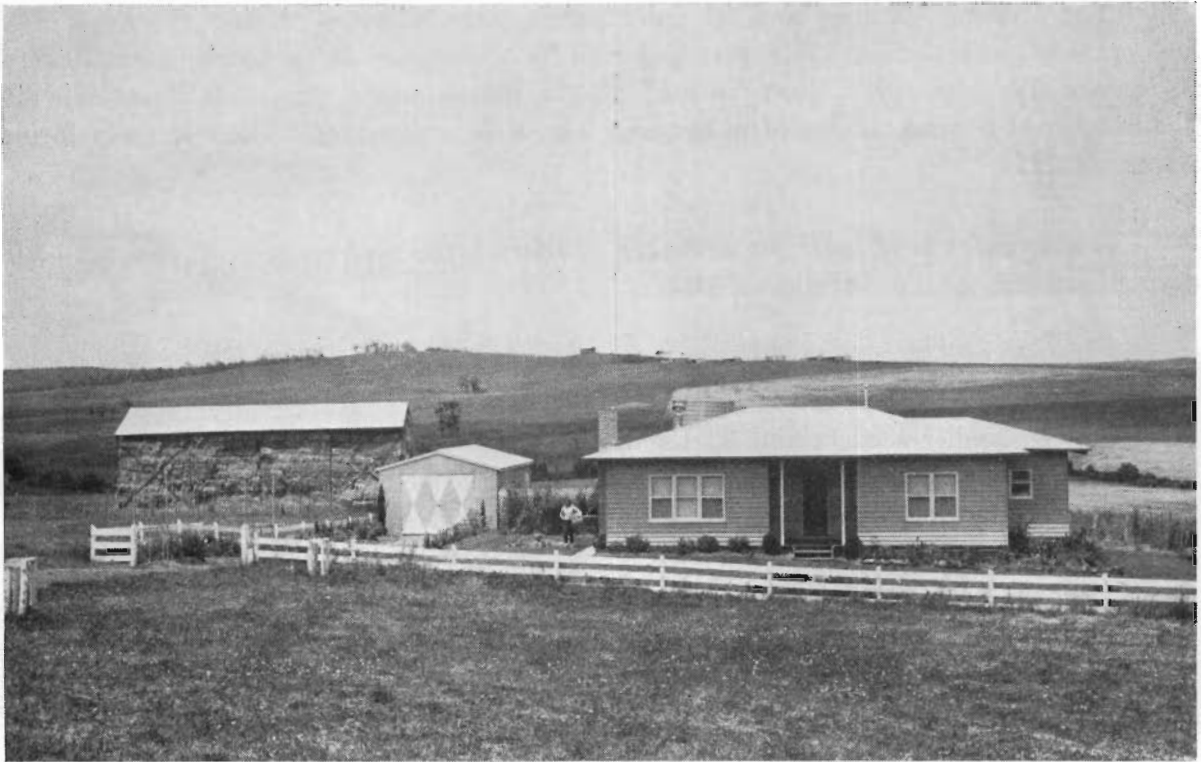
Heytesbury.

Seasonal conditions at Heytesbury during the year under report have been more favourable and most settlers have enjoyed a better year. As has been indicated in previous reports, it is necessary on these holdings to restrict the number of livestock carried in the initial years of occupancy so that the newly established pastures will be given ample opportunity to consolidate. The consolidation of pastures and the better season has permitted an easing of stocking restrictions for settlers on the more advanced holdings. The results achieved by the individual settlers vary from holding to holding and from settler to settler, but it is apparent that steady progress is being made by most.

It is also apparent that the management and efficiency of the settler is an important factor in maintaining pasture and making progress on newly developed country.

During the year under review considerable cleaning up of windrows on the earlier farms was carried out and, in many instances, the Commission's plant was called in as contractors on this work tended to get behind schedule in their understandable desire to carry out the work only under most favourable weather conditions. This diversion of Commission equipment had some effect on clearing operations on new areas. However, satisfactory progress on clearing was possible and the following statement sets out details of land development since the project commenced in 1956.

	During 1963-64.	Total as at 30th June, 1964.
	acres.	acres.
Area cleared	5,813	65,493
Area ploughed	3,630	59,062
Area sown to pasture	6,096	57,680



House area on dairy holding Heytesbury settlement area.

Basic farm structural improvements completed since the project began are as follows :—

Houses ..	..	153
Dairies ..	..	160
Utility Sheds ..	..	159
Hay Sheds ..	..	104
Fencing ..	..	650 miles
Roading ..	..	125 miles have been constructed with the Country Roads Board as the constructing authority.

Community growth has proceeded hand in hand with the establishment of settlers on their farms. Three Churches have been built, a general store opened, an oil depot established, a scouts' hall erected and a cheese manufacturer has purchased land on which a factory is planned.

These projects have not been entered upon lightly by those concerned and, when viewed in conjunction with the productivity of the farms, indicates the continuing establishment of a new community.

East Goulburn Irrigation Area.

Continued progress has been made with the development programme for this area during the year under review.

One thousand four hundred acres were sown to pasture on dairy blocks, making a total of 4,480 acres sown to date.

The structural improvements erected on the Project are as follows :—

Houses ..	..	..	..	..	..	131
Packing Sheds and Utility Sheds ..	..	..	..	..	..	125
Dairies ..	..	..	..	..	..	53
Hay Sheds ..	..	..	..	..	..	47
Fencing ..	..	..	..	..	..	197 miles

Ten orchard holdings and 22 dairy farms were allocated during the year. On each orchard block there are 25 acres planted to fruit trees, and on each dairy farm 70 acres of pasture has been sown down in addition to the standard structural improvements. The number of holdings allocated in the area is now 69 orchard blocks and 48 dairy farms, a total of 117.

Development is in hand for a further 22 dairy farms on this project, planned to be sown to pasture in the Autumn of 1965.

Yanakie.

Sixteen soldier settlers and 23 Land Settlement Act settlers are now on the area. The probable allocation of a further seven farms in the next twelve months will see the completion of the development of the 12,000 acre Crown Land Project.



Loading of aircraft with superphosphate for spreading on pastures at Heytesbury settlement area.

Advances pursuant to Division 6 of the Land Settlement Act.

The total advances made under this Division to 30th June, 1964, is £186,656 and repayments now total £48,947, so that the balance owing is £137,709.

The greater part of these advances has been for the purchase of stock, plant and equipment but, following generally light crops and uncertain market conditions on canned fruit holdings in the East Goulburn Irrigation Area, it became necessary to provide carry-on expenses for the majority of settlers in the area to produce the 1964-65 crop.

During the year, too, a co-operative organization was established by some of these growers to grade fruit on their behalf, and advances totalling £8,500 were made to a total of 34 settlers to enable them to purchase shares in the Company.

STAFF.

The Commission again wishes to record its appreciation of the efforts of the members of its staff for the manner in which they have carried out their duties. The year has not been without its challenges and all concerned did their best to help during the period of amalgamation.

The Commission also wishes to express its thanks 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 received co-operation and advice.

I. K. MORTON, Chairman.

C. O. HARRY, Deputy Chairman.

L. L. BEARDSELL, Member.

M. J. CRONIN, Acting Secretary.

RURAL FINANCE AND SETTLEMENT COMMISSION.

RURAL FINANCE AND SETTLEMENT FUND.

BALANCE-SHEET AS AT 30TH JUNE, 1964.

(Adjusted to the nearer £.)

ASSETS.								£	£
Current Assets—									
National Debt Sinking Fund cash	..	..	..	..	..	..	..	3,137	
Interest Due and Accrued	..	..	..	..	..	..	..	159,801	
Prepayments	..	..	..	..	..	..	..	1,154	
Cash—At Bank and On Hand	..	..	..	..	..	..	..	204,472	
—At Call	..	..	..	..	..	..	..	510,000	
								<hr/>	878,564
Investments At Cost On Account Of—									
Long Service Leave	..	..	..	..	..	..	..	22,696	
Superannuation	..	..	..	..	..	..	..	53,925	
General Reserve	..	..	..	..	..	..	..	353,301	
								<hr/>	429,922
								<hr/>	1,308,486
Less Current Liabilities and Provisions—									
Trust Account—Amounts in Suspense	..	..	..	..	..	..	..	7,963	
Settlers Proceeds Held	..	..	..	..	..	..	..	48,460	
Inter Fund Adjustment Account	..	..	..	..	..	..	..	12,719	
Sundry Creditors	..	..	..	..	..	..	..	8,731	
Provision for Long Service Leave	..	..	..	..	..	..	..	24,593	
Provision for Superannuation	..	..	..	..	..	..	..	94,434	
								<hr/>	196,900
								<hr/>	1,111,586
Loans Under Part III. Rural Finance Acts—									
Less: Provision for Doubtful Debts	..	..	..	..	..	..	..	10,095,018	
								<hr/>	209,483
								<hr/>	9,885,535
Fixed Assets at Cost Less Depreciation—									
Furniture and Office Equipment	..	..	..	..	..	..	..	8,347	
Motor Vehicles	..	..	..	..	..	..	..	16,228	
								<hr/>	24,575
Total Assets								<hr/>	11,021,696
REPRESENTED BY :									
Loan Liability to Treasurer of Victoria :									
Amounts Applied from Loan Fund	..	..	..	..	..	..	..	10,596,307	
Less Securities Redeemed National Debt Sinking Fund	..	..	..	..	..	..	..	492,268	
								<hr/>	10,104,039
Capital Reserves and Accounts :									
National Debt Sinking Fund Reserve	..	..	..	..	..	..	..	495,405	
Loan Equalization Account	..	..	..	..	..	..	..	40,000	
								<hr/>	535,405
Revenue Reserves and Accounts :									
General Reserve	..	..	..	..	..	..	..	366,092	
Profit and Loss Appropriation Account	..	..	..	..	..	..	..	16,160	
								<hr/>	382,252
								<hr/>	11,021,696

I. K. MORTON, Chairman.
 C. O. HARRY, Deputy Chairman.
 L. L. BEARDSELL, Member.
 M. J. CRONIN, Acting Secretary.
 D. H. LIVINGSTON, Acting Accountant.

NOTE.—(1) The Accrued Contingent Liability for Superannuation Payable by the Commission in the future is estimated to exceed the provision for Superannuation as at 30th June, 1964 by £100,000.

(2) Commitments for Loans under Part III. *Rural Finance Act* 1958, approved but not paid as at 30th June, 1964 amounted to £555,194.

The accounts of the Rural Finance and Settlement Commission in respect of the Rural Finance and Settlement Fund have been audited for the year ended 30th June, 1964, and, in my opinion, the Balance-sheet is a correct statement of the financial position of the Fund at the close of the period, and the Profit and Loss Account correctly summarizes its operations during the year.

R. W. GILLARD, Auditor-General,
 30th October, 1964.

RURAL FINANCE AND SETTLEMENT COMMISSION.

RURAL FINANCE ACTS.
 PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 30TH JUNE, 1964.
 (Adjusted to the nearer £.)

	£	£	£
Income—			
Interest			572,403
Application and Legal Fees, &c.			10,096
			582,499
Less—			
Expenditure—			
Interest on Loan Indebtedness		379,546	
Interest on Redeemed Securities— National Debt Sinking Fund			19,159
Administration—			
Salaries	47,550		
General Expenses.. .. .	19,575		
		67,125	
Provision for—			
Long Service Leave	2,414		
Superannuation	6,100		
		8,514	
			474,344
Operating Profit for Year			108,155
Less—			
National Debt Sinking Fund Contribution		25,057	
Discounts and Expenses on Loans		4,553	
Bad and Doubtful Debts		40,794	
		70,404	
Net Profit for Year transferred to Rural Finance and Settlement Fund Profit and Loss Appropriation Account			37,751

I. K. MORTON, Chairman.
 C. O. HARRY, Deputy Chairman.
 L. L. BEARDSELL, Member.
 M. J. CRONIN, Acting Secretary.
 D. H. LIVINGSTON, Acting Accountant.

R. W. GILLARD, Auditor-General,
 30th October, 1964.

RURAL FINANCE AND SETTLEMENT COMMISSION.

RURAL FINANCE AND SETTLEMENT FUND.

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR YEAR ENDED 30TH JUNE, 1964.

(Adjusted to the nearer £.)

	£	£
Transfer from General Reserve of Finance Branch as at 1st July, 1963		584,910
<i>Less—</i>		
Provision for Doubtful Debts Rural Finance Acts Loan as at 1st July, 1963 ..	168,750	
Appropriation to General Reserve as at 1st July, 1963	352,789	
Provision for Contingent Liabilities for Superannuation taken over 1st July, 1963	35,000	
	<hr/>	556,539
Balance Carried Forward 1st July, 1963		<hr/> 28,371
<i>Add—</i>		
Net Profit Rural Finance Acts year ended 30th June, 1964	37,751	
Amount Received from Consolidated Revenue pursuant to Section 25 sub-section (5) <i>Rural Finance and Settlement Commission Act 1961</i> (as amended)	232,800	
	<hr/>	270,551
<i>Less—</i>		298,922
Costs of Administration Soldier Settlement Acts	157,822	
Costs of Administration Land Settlement Acts	84,940	
Appropriation to Loan Equalization Account	40,000	
	<hr/>	282,762
Balance Carried Forward 30th June, 1964		<hr/> 16,160

I. K. MORTON, Chairman.
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 D. H. LIVINGSTON, Acting Accountant.

R. W. GILLARD, Auditor-General,
 30th October, 1964.

RURAL FINANCE AND SETTLEMENT COMMISSION.

GOVERNMENT AGENCY DEPARTMENT.

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1964.

(Adjusted to the nearer £.)

	£	£	£
Receipts—			
Cash in Hand Brought Forward 1st July, 1963			10,836
Funds Provided by Treasurer of Victoria from— ..			
Loan Fund		75,000	
Decentralization Fund		1,069	
		<u>76,069</u>	
Repayments by Borrowers—			
Principal		65,766	
Interest		16,626	
		<u>82,392</u>	
			<u>169,297</u>
Payments—			
Loans and Advances—			
Flood Relief—Lake Corangamite	10,500		
Rehabilitation of Peach Growers—Goulburn Valley	1,500		
Capital Improvements—Sunraysia District	375		
Secondary Industries	18,587		
Assistance to Tobacco Growers	3,545		
Capital Improvements—Tresco District	2,100		
Hail Damage—Orchardists	35,475		
		<u>72,082</u>	
Repayments Treasurer of Victoria—			
Principal	65,766		
Interest	16,626		
		<u>82,392</u>	
			<u>154,474</u>
Cash in Hand Carried Forward 30th June, 1964			<u>14,823</u>

I. K. MORTON, Chairman.
C. O. HARRY, Deputy Chairman.
L. L. BEARDSELL, Member.
M. J. CRONIN, Acting Secretary.
D. H. LIVINGSTON, Acting Accountant.

The Statement of Receipts and Payments correctly summarizes the transactions of the Agency Account of the Rural Finance and Settlement Commission for the year ended 30th June, 1964. 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,
30th October, 1964.

RURAL FINANCE AND SETTLEMENT COMMISSION.

GOVERNMENT AGENCY DEPARTMENT.

STATEMENT OF BALANCES AS AT 30TH JUNE, 1964.

(Adjusted to the nearer £.)

	£	£	£
Advances from Treasurer of Victoria .. .. .	..	..	713,527
Less Repayments .. .. .	..	270,174	
Bad Debts Written Off		152	
		<u>270,326</u>	270,326
			<u>443,201</u>

Loans and Advances under Government Agency Schemes—

	£	£
	Total Expenditure	Balance Outstanding
Flood Relief—Lake Corangamite	215,800	145,956
Rehabilitation of Peach Growers—Goulburn Valley	53,065	29,971
Capital Improvements—Sunraysia District	69,049	29,579
Secondary Industries	209,991	174,040
Tobacco Grower's Assistance	17,095	877
Assistance to Apiarists	6,936	1,393
Hail Damage—Sunraysia District	47,896	1,754
Tourist Development	15,050	2,000
Hail Damage—Tresco District	10,368	1,838
Capital Improvements—Tresco District	8,277	7,171
Hail Damage—Orchardists	42,277	33,089
Miscellaneous	2,900	710
	<u>698,704</u>	<u>428,378</u>
Cash in Hand .. .. .	..	14,823

I. K. MORTON, Chairman.
 C. O. HARRY, Deputy Chairman.
 L. L. BEARDSELL, Member
 M. J. CRONIN, Acting Secretary.
 D. H. LIVINGSTON, Acting Accountant.

The Statement of Balances correctly shows the application of advances from the Treasurer of Victoria for agency purposes as at 30th June, 1964.

R. W. GILLARD, Auditor-General,
 30th October, 1964.

RURAL FINANCE AND SETTLEMENT COMMISSION.

RURAL REHABILITATION FUND AND FARMERS' DEBTS ADJUSTMENT ACTS.

CAPITAL BALANCE-SHEET AS AT 30TH JUNE, 1964.

(Adjusted to the nearer £.)

ASSETS.

	£
Advances <i>Farmers' Debts Adjustment Act 1943</i>	9,328
Advances under <i>Farmers' Debts Adjustment Act 1935</i> and Part IV. <i>Rural Finance Act 1958</i> ..	479,406
	<hr/> 488,734
Held by Treasurer of Victoria—Rural Rehabilitation Fund .. .	1,871,940
	<hr/> 2,360,674

LIABILITIES.

Treasurer of Victoria for Advances <i>Farmers' Debts Adjustment Act 1943</i> —Less Repayments ..	9,328
Funds Provided by Grant under Commonwealth Loan (<i>Farmers' Debt Adjustment Act 1935</i>)— Including Interest on Mortgages—Less Amounts Written Off	2,351,346
	<hr/> 2,360,674

I. K. MORTON, Chairman
 C. O. HARRY, Deputy Chairman.
 L. L. BEARDSELL, Member.
 M. J. CRONIN, Acting Secretary.
 D. H. LIVINGSTON, Acting Accountant.

R. W. GILLARD, Auditor-General,
 30th October, 1964.

RURAL FINANCE AND SETTLEMENT COMMISSION.

SOLDIER SETTLEMENT ACTS.

CAPITAL ACCOUNT—BALANCE-SHEET AS AT 30TH JUNE, 1964.

(Adjusted to the nearer £.)

CAPITAL LIABILITIES.

	£	£
Loan Liability—Treasurer of Victoria—		
Amounts issued and applied from Loan Fund		58,212,324
<i>Less</i> —Repayments to Loan Fund Credit Account		23,807,265
		<hr/> 34,405,059
<i>Less</i> —Amount Transferred to and Borne by State under Section 53 Reduced by Claims on Commonwealth for Capital Contributions		10,543,184
		<hr/> 23,861,875
Loan Liability to Commonwealth Government—		
Amounts Received under Commonwealth/State Agreement	7,198,703	
<i>Less</i> —Repayments	310,319	
		<hr/> 6,888,384
Liability for Crown Lands Taken Over and Set Apart for Settlement		104,937
Liability to Consolidated Revenue for Interest Capitalized during Development Period		
<i>Less</i> Amount Relieved under Section 53		173,823
		<hr/> 31,029,019

REPRESENTED BY CAPITAL ASSETS.

Estates (Including Development and Improvement) not yet Disposed of		1,418,715
Contracts of Sale for Disposal of Unsuitable Land		276,487
Land and Improvements under Interim Lease Part 6 Division 2		2,615,436
Land and Improvements under Purchase Lease Part 6 Division 3	19,495,320	
Land and Improvements under Mortgage Section 67 Part 6, Division 3	145,173	
		<hr/> 19,640,493
Mortgages under Part 7, Single Unit Farms		5,537,434
Advances Part 8		271,659
Expenses not yet Allocated		1,150
Buildings and Working Plant at Cost <i>Less</i> Depreciation		38,891
Commonwealth Government for Balance of Share of Excess Costs		692,119
Capital Expenses Not Allocated—		
Discounts and Expenses on Loans	491,451	
Depreciation	22,970	
Bad Debts Written Off <i>Less</i> Recoups	8,969	
		<hr/> 523,390
Amount Due From Rural Finance and Settlement Fund		
Assets Transferred at Valuation	13,857	
<i>Less</i> —Recoup for Capital Expenditure from Fund	612	
		<hr/> 13,245
		<hr/> 31,029,019

I. K. MORTON, Chairman.
C. O. HARRY, Deputy Chairman.
L. L. BEARDSELL, Member.
M. J. CRONIN, Acting Secretary.
D. H. LIVINGSTON, Acting 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, 1964, and the Profit and Loss Account correctly summarizes the relevant transactions during the year ended 30th June, 1964.

R. W. GILLARD, Auditor-General,
30th October, 1964.

RURAL FINANCE AND SETTLEMENT COMMISSION.

SOLDIER SETTLEMENT ACTS.

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 30TH JUNE, 1964.
(Adjusted to the nearer £.)

	£	£
Interest on Loan Liabilities		1,693,324
Less—Interest Capitalized	23,533	
Interest on Loan Liability Transferred and Borne by State	447,529	
	<hr/>	471,062
		<hr/>
		1,222,262
Less—Income—		
Interest Earned	600,736	
Rents, Fees and Other Income	3,168	
	<hr/>	603,904
		<hr/>
		618,358
Add—Costs of Administration		
Salaries	97,966	
General Expenses	40,329	
	<hr/>	138,295
Provisions		
Long Service Leave	5,177	
Superannuation	12,567	
	<hr/>	17,744
Payments in Lieu of Shire Rates <i>Less</i> Amounts Recouped .. .. .	..	2,326
Remissions of Rents and Interest <i>Less</i> Recouped .. .. .	..	406
		<hr/>
Net Loss for Year Transferred to Accumulated Deficiency		777,129
		<hr/>
ACCUMULATED DEFICIENCY AS AT 30TH JUNE, 1964.		
Accumulated Deficiency Brought Forward 1st July, 1963		7,912,337
Less—Transferred to Capital Expenses		506,196
		<hr/>
		7,406,141
Add—Loss for Year ended 30th June, 1964		777,129
		<hr/>
Accumulated Deficiency Carried Forward		8,183,270
		<hr/>
THIS DEFICIENCY HAS BEEN MET AS FOLLOWS:—		
Consolidated Revenue—Interest and Costs of Administration <i>Less</i> Amounts Paid to		
Consolidated Revenue		8,197,019
Rural Finance and Settlement Fund—Costs of Administration		157,822
		<hr/>
		8,354,841
Less—Interest Due and Accrued	168,965	
Amount Payable by Rural Finance and Settlement Fund for Items Transferred	2,606	
	<hr/>	171,571
		<hr/>
		8,183,270
		<hr/>

The accumulated deficiency shown above 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 Rent and Interest*—During the early stages of occupation, referred to in the Agreement as the Assistance Period, all interest and rent charges are remitted. The cost is shared equally by the Commonwealth and State Governments. The Victorian Government's share to date is: 188,689
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 rate of interest payable on loan moneys the reduced rate amounts to a statutory concession of 5,861,959
3. *Administration Costs*—The costs of administration of the Act have also been borne by the State either directly or from the 1st July, 1963, through the Rural Finance and Settlement Fund. Costs to date are 2,744,504

8,795,152

I. K. MORTON, Chairman.
C. O. HARRY, Deputy Chairman.
L. L. BEARDSELL, Member.
M. J. CRONIN, Acting Secretary.
D. H. LIVINGSTON, Acting Accountant.

R. W. GILLARD, Auditor-General,
30th October, 1964.

RURAL FINANCE AND SETTLEMENT COMMISSION.

LAND SETTLEMENT ACTS.

CAPITAL ACCOUNT—BALANCE-SHEET AS AT 30TH JUNE, 1964.

(Adjusted to the nearer £.)

CAPITAL LIABILITIES.

	£
Loan Liability Treasurer of Victoria—	
Amounts Issued and Applied from Loan Fund	8,001,386
<i>Less</i> —Repayments to Loan Fund Credit Account	302,375
	<hr/>
	7,699,011
Amount Granted by Commonwealth Governments	50,000
Crown Lands Taken Over and Set Apart for Settlement	40,224
Liability to Consolidated Revenue for Interest Capitalized during Development Period	828,029
Amount Due to Rural Finance and Settlement Fund for Loan Expenditure	2,927
Settlers Credit Accounts	34,988
	<hr/>
Total Capital Liabilities	8,655,179
	<hr/>

REPRESENTED BY CAPITAL ASSETS.

Estates (Including Development and Improvement) not yet Disposed Of	7,989,249
Contracts of Sale for Disposal of Unsuitable Land	10,950
Advance to Settlers Division 6	137,709
Plant Materials and Services not yet Allocated	97,657
Buildings and Working Plant at Cost <i>Less</i> Depreciation	419,614
	<hr/>
	8,655,179
	<hr/>

The accounts of the Rural Finance and Settlement Commission in respect of Land Settlement under the *Land Settlement Act* 1959, have been audited and, in my opinion, the balances shown in the Balance-sheet properly disclose the position in relation to the said Land Settlement as at 30th June, 1964, and the Profit and Loss Account correctly summarizes the relevant transactions during the year ended 30th June, 1964.

I. K. MORTON, Chairman.
 C. O. HARRY, Deputy Chairman.
 L. L. BEARDSELL, Member.
 M. J. CRONIN, Acting Secretary.
 D. H. LIVINGSTON, Acting Accountant.

R. W. GILLARD, Auditor-General,
 30th October, 1964.

RURAL FINANCE AND SETTLEMENT COMMISSION.

LAND SETTLEMENT ACTS.

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 30TH JUNE, 1964.

(Adjusted to the nearer £.)

	£	£
Interest on Loan Liability	327,443	
<i>Less</i> —Interest Capitalized	298,892	
		28,551
<i>Add</i> —Cost of Administration—		
Salaries	52,952	
General Expenses	21,799	
		74,751
Provisions—		
Long Service Leave	3,396	
Superannuation	6,793	
		10,189
		113,491
<i>Less</i> —Income—		
Interest and Rents Earned	91,361	
Fees and Other Income	230	
		91,591
Net Loss for Year Transferred to Accumulated Deficiency		21,900

ACCUMULATED DEFICIENCY AS AT 30TH JUNE, 1964.

Accumulated Deficiency Brought Forward 1st July, 1963	443,335
<i>Less</i> —Capital Expenses Transferred to Estates	43,268
	400,067
<i>Add</i> —Loss for Year ended 30th June, 1964	21,900
	421,967
<i>Less</i> —Profits on Livestock Trading Accounts	105,173
Accumulated Deficiency Carried Forward	316,794

THIS DEFICIENCY HAS BEEN MET AS FOLLOWS.

Consolidated Revenue—Interest and Cost of Administration— <i>Less</i> Amounts Paid to Consolidated Revenue	316,235
Rural Finance and Settlement Fund—Costs of Administration	85,146
	401,381
<i>Less</i> —Interest and Rents Due and Accrued	25,867
Livestock on Estates at Valuation	58,720
	84,587
	316,794

I. K. MORTON, Chairman.
 C. O. HARRY, Deputy Chairman.
 L. L. BEARDSELL, Member.
 M. J. CRONIN, Acting Secretary.
 D. H. LIVINGSTON, Acting Accountant.

R. W. GILLARD, Auditor-General,
 30th October, 1964.

RURAL FINANCE AND SETTLEMENT COMMISSION.

RURAL FINANCE AND SETTLEMENT INSURANCE FUND.

YEAR ENDED 30TH JUNE, 1964.

(Adjusted to the nearer £.)

	£	£
Amount Transferred from Soldier Settlement Insurance Fund 1st July, 1963..	..	609,832
Amount Transferred from Land Settlement Insurance Fund 1st July, 1963 ..	..	7,755
		<u>617,587</u>
<i>Add</i> —Debtors for Premiums 1st July, 1963		
Soldier Settlement	2,170	
Land Settlement	339	
		<u>2,509</u>
		620,096
<i>Less</i> —Claims Admitted but not Paid 1st July, 1963 .. .. .	..	3,780
		<u>616,316</u>
<i>Add</i> —Premiums	92,065	
Interest on Investments	9,184	
		<u>101,249</u>
		717,565
<i>Less</i> —Claims	22,036	
Country Fire Authority Contributions	8,186	
Administration Expenses	4,841	
		<u>35,063</u>
Balance Carried Forward 30th June, 1964 .. .. .	..	<u>682,502</u>
REPRESENTED BY.		
Cash .. .. .	..	41,557
Temporary Investments .. .. .	..	640,325
Accrued Interest .. .. .	..	5,317
Debtors for Premiums .. .. .	..	7,979
		<u>695,178</u>
<i>Less</i> —Claims Admitted but not Paid .. .. .	..	12,676
		<u>682,502</u>

I. K. MORTON, Chairman.
C. O. HARRY, Deputy Chairman.
L. L. BEARDSELL, Member.
M. J. CRONIN, Acting Secretary.
D. H. LIVINGSTON, Acting Accountant.

R. W. GILLARD, Auditor-General,

30th October, 1964.