

1965

VICTORIA

ANNUAL REPORT

OF THE

RURAL FINANCE AND SETTLEMENT COMMISSION

FOR THE

YEAR ENDED 30TH JUNE, 1965

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, 1965.

GENERAL.

Seasonal conditions coupled with yields and prices for primary products which so materially effect the fortunes of the man on the land, also have a material effect on the Commission's activities, not only as it affects the level of demand for financial assistance but also for the effect these matters have on the Commission's developmental activities and the settlers embarking on their first years of occupancy on these projects.

In general most branches of the farming community enjoyed a fairly satisfactory year while dairying and wheat-growing areas enjoyed buoyant conditions with a continued upward trend in the values being obtained for farms of this type, particularly in districts enjoying a high reputation for efficient production.

Towards the close of the year, there was an increased demand for financial assistance in primary industries—and within the limits of available funds, the Commission was able to help particularly buyers of farming properties requiring longer term finance.

In the country secondary industry field, a similar picture emerged with an enlivening interest being shown in financial assistance, particularly from established firms seeking help in expansion programmes.

ADMINISTRATION.

With the settling down and co-ordination of activities following the merger of the Soldier Settlement Commission and the Rural Finance Corporation certain administrative matters were brought more into line with the requirements of the job in hand and the legislation. Country staff houses and offices and motor vehicles used for administrative purposes, (i.e., those not on developmental projects) were transferred as assets of the Rural Finance and Settlement Fund and are mentioned as they have a bearing on the presentation of the Commission's accounts. Much of the organization in the country in the first place developed around the demands of soldier settlement and it has been found necessary to close some country offices as opportunity presented itself and develop senior field officers towards responsibility for separate regions of the State dictated by the requirements of the merged organization. In doing this the Commission has been mindful of how best those using the services of the Commission can be served without getting too top heavy administratively and so raise the cost of the services. The work involved in administering loans to bush fire sufferers made heavy calls on the officers involved and was done without additional special provision being made for the administrative costs involved.

INSURANCE.

Details of the Rural Finance and Settlement Insurance Fund are set out in the accompanying financial statements.

Whilst there were higher losses than usual of structural improvements arising from the bushfires with a consequent increase in the claims against the Fund, the overall position of the Fund continued to be satisfactory.

As was foreshadowed in the last Report, the Auditor-General certified that having regard to the amount standing to the credit of the Insurance Fund, there was a surplus in the Fund and, in accordance with the provision of the Act, an amount of £182,502 7s. was transferred from the Insurance Fund to the Rural Finance and Settlement Fund and became available for the ordinary lending of the Commission.

RURAL FINANCE ACT 1958.

General.

The relevant Statement of Account accompanying this Report shows that the operating profit for rural finance activities is down on that of former years and is brought about chiefly by a rise in the amount of interest payable on funds provided from State Loan Fund. In the year under report, no rebate was granted, and the Commission paid the full rate of £4 7s. 4d. per cent. on funds drawn in previous years with a rate of up to £5 5s. per cent. on current drawings.

Part III. Advances.

Total advances made during the year under review to assist rural industries amounted to £2,025,690 comprising £1,769,292 to primary industries and £256,398 to secondary industries.

In the case of primary industries, the total advances for the purchase of farm properties was £1,225,796 and the balance of £543,496 was for farm improvements and development, seasonal advances and other purposes.

The Commission has endeavoured to avoid too much lending to the impoverished person on an unimproved holding, particularly if the necessary experience is lacking and advances would not lift the capacity of the farm to produce sufficient income to service the debt and leave enough to support the borrower and his family. Whilst this type of applicant does not always demand large sums the more experienced man who is seeking help to establish his sons on farms of their own often requires higher advances and is one to whom financial help is vital as his target is often beyond his ability to finance without some long-term assistance.

The Commission has been inclined to favour the latter type of borrower although this usually involves a higher loan.

It is also worthy of mention that in the year under report there was a general tightening up of funds available for long-term borrowing and other lending institutions tended to steer borrowers in the direction of the Commission which, towards the latter end of the year, caused the Commission to adopt a more discriminating policy if the application entailed taking over an unexpired loan. Despite this the demand for farm finance both to assist in property purchase and farm development is showing an increasing trend.

Secondary Industry.

Of the amount made available to secondary industries, £127,548 was for the further extension of industries which had been established with finance from the Commission in previous years, including further progress payments under current loans.

Industries receiving assistance included a textile processing works, engineering works, dairy product companies and industries engaged in fruit packing and cool storage.



Metal spinning operation in country factory established with Commission assistance.

It is pertinent to mention that there was a notable increase in inquiries from the dairying companies and it appears that companies are in some cases being attracted into expansion programmes in order to keep pace with demands of diversification and opposition from competing processors. Taken too far this tends towards over-capitalization and the Commission has been endeavouring to closely follow the trends of the industry and, in particular, the requirements of the overseas markets for the more established Australian dairy products and the newer avenues of utilization of products.

The past year has again highlighted the fact that new industries starting up in country areas must be soundly based from the financial, managerial and technical points of view and of these management is possibly the most difficult to assess and establish.

An important point which is not always appreciated by those endeavouring to obtain financial backing for a decentralized industry is the necessity to present plans in sufficient detail to indicate that the proposition has been thoroughly analysed at the practical level.

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 £104,712.

There being no payments out of the Fund during the year, the amount standing to the credit of the Fund as at 30th June, 1965, was £1,976,652.

As has been pointed out previously, this Fund, owing to the limitation imposed by the Commonwealth under *Loan (Farmers' Debts Adjustment) Act 1935*, can be used 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. It may well be that the time is ripe for an approach to be made to the Commonwealth Government to widen the purposes to which these funds may be applied.

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 £912,829 have been made since 1956.

During the year under review Agency loans amounting to £214,125 were made. Of this total, £80,329 related to Primary Industry and the balance of £133,796 to Secondary Industries.

Of the amount made available to primary industry during the year the major portion was made in connexion with relief to farmers following the recent bush fires.

Following the January fires in the Longwood and Ingelwood-Tarnagulla areas, the Government requested the Commission to assist landowners who had suffered losses due to the fires. Assistance so granted was to be by way of loan with long repayment terms and a concessional rate of interest. Later, the Commission was requested to similarly assist farmers in Gippsland and other areas who had also suffered bush fire losses.

In all about 240 landowners were seen personally by Commission officers. Of the people interviewed a small minority could not be helped by way of loan, whilst others did not require assistance. In a few cases, farmers preferred to arrange their finance through the banks.

In all, loans totalling over £200,000 have been approved to 119 individuals and of this total, £57,790 was paid out to borrowers by the end of the financial year—the balance to be expended as restoration of structures and other work is carried out.

In each case, an attempt was made to tailor the assistance granted to meet the needs of the applicant and, generally speaking, the Commission received every assistance from the bankers and stock firms involved.

Loans granted have been chiefly for restoration of fencing, essential shedding and housing and to a lesser extent for a variety of other purposes including replacement of farming plant or livestock lost in the fire or to purchase hay.

Agency loans were also made to farmers in the tobacco growing industry which experienced difficulties brought about by the slow disposal of leaf. It is hoped that the recently established marketing scheme will bring more stability into the financial aspects of this industry.

SETTLEMENT ACTIVITIES.

Soldier Settlement.

In the past twelve months two surrendered or forfeited holdings were re-allocated. The total number of ex-servicemen allocated holdings is now 3,287.

Single-unit Farm Advances.

Since 1947, £11,958,669 has been advanced to 2,878 individual ex-servicemen. This form of assistance ceased in 1959, but last year £200 was expended on developmental works previously approved.

One thousand four hundred and thirty-eight settlers under this scheme have fully repaid their liabilities, a total repayment of £6,623,500 and, in addition existing borrowers have contributed £162,191 to mortgagors' credit account.

Assistance Period Granted to Settlers.

Pursuant to the War Service Land Settlement Agreement, the Commonwealth provided £1,639 for free living allowances to soldiers settlers in early stages of occupation. The total so provided since the inception of settlement is £1,214,712 to 3,170 settlers.

Interim and Purchase Credit Accounts.

The amount contributed by settlers to Interim Credit Account totals £1,003,994 of which £980,210 has been applied in reduction of capital liabilities at the grant of Purchase Lease and £25,984 remains at this stage in Interim Credit Account.

The total standing to the credit of settlers in their Purchase Credit Accounts is £345,884.

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

As soldier settlement nears its completion, the amount of assistance by way of advances is naturally a diminishing item.

Advances in the period were £22,108 and repayments were £146,668 with an outstanding balance of £141,879.

Agricultural Loans pursuant to the Commonwealth Re-establishment and Employment Act.

Total advances made amount to £1,796,851, of which £1,752,034 has been repaid. As the period of eligibility for assistance under this Act expired many years ago, no new advances were made during the year.

The following table sets out the position of all loans made by the Commission pursuant to legislation relating to ex-servicemen :—

—	Total Advances.	Total Repayments.	Written Off.	Balance Outstanding.
	£	£	£	£
Single-unit farm Part VII.	11,958,669	6,623,500	3,257	5,331,912
Part VIII. Advances for stock, plant, equipment and for working expenses	6,144,532	5,987,316	15,337	141,879
Advances for Shares	125,164	125,164	..	..
Commonwealth Loans	1,796,851	1,752,034	729	44,088
	20,025,216	14,488,014	19,323	5,517,879

During the year, twelve soldiers settlers took advantage of the provisions of Section 67A of the Soldier Settlement Act to obtain Crown Grants of their respective farms, in each case, executing a freehold mortgage to the Commission to secure the balance of liability.

In all, 37 settlers have elected to do this and thus be freed of the restrictions which go with the 2 per cent. interest rate and long term of repayment under the Purchase Lease.

The total amount now secured by mortgages under this section of the Act is £249,295 in respect of 35 settlers. Two have repaid in full.

Valuation of Allotments.

During the financial year 1964–65, Interim Lease liabilities were determined for a further 48 holdings, making a total of 3,118 holdings for which such liabilities have been determined.

Settlement Purchase Leases.

At the 30th June, 1965, 2,901 settlers had been granted Settlement Purchase Leases, and of these 117 were granted in the year under review. To 30th June, 1965, 580 settlers had paid for their farms and obtained a Crown Grant, of which 129 repaid during the year.

Commonwealth Contribution to Excess Costs of Settlement.

At the 30th June, 1965, the Commission under the arrangement made with the Commonwealth in July, 1951, has lodged Interim Claims in respect of 2,141 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, 1965, total claims amounting to £7,259,385 19s. 6d. had been lodged. An amount of £6,316,409 0s. 3d. had been paid by the Commonwealth and £942,976 19s. 3d. has been withheld. The amount withheld concerns mainly those items for which no agreement has yet been reached with the Commonwealth although discussions were held during the year in an attempt to make some progress towards settlement.

SETTLEMENT UNDER THE LAND SETTLEMENT ACT 1959.

Acquisition of Land.

During the past year, the Commission acquired an additional 202 acres of freehold land for inclusion in the Heytesbury and East Goulburn Projects, bringing the total area of land acquired pursuant to the Land Settlement Act to 17,894 acres, purchased at a total cost of £598,463.

In the same period, the Governor in Council gave approval to certain adjustments of the boundaries of the Heytesbury Project and to the setting apart for settlement under this Act of an additional area of 25,100 acres. In consequence, the total area of Crown Land set apart under this Act now stands at 106,681 acres.

Allocation of Farms.

During the year under review 73 holdings were allocated while a further 28 were proceeding towards final allocation.

Since the inception of this form of settlement the number of farms allocated is 348. This number comprises 210 dairy farms under rainfall conditions, 66 irrigation dairy farms and 72 soft fruit orchard holdings. In addition 10 of these farms have been re-allocated after they had been surrendered or forfeited by the original allottees.

There was a continuation of the keen interest shown by prospective farmers who are desirous of obtaining an opportunity to receive a farm under this legislation.

It is also of interest to note that amongst the selected settlers are a number of newcomers to this country, many from various European countries, who have settled into farming pursuits in their new land, taken Australian citizenship and have been able to successfully compete for settlement holdings.

Heytesbury.

Seasonal conditions at Heytesbury have been satisfactory both for settlers on allotted holdings and for the clearing and developmental operations on other areas of the Project.

The production being achieved by the majority of established settlers confirms the early promise this area showed and confirms its capacity to be developed into high producing dairying land.

Favourable weather conditions allowed clearing operations to continue longer than in most previous years. At the same time, the total area cleared for the year was slightly less than in preceding years due to the use of some of the Commission plant on complete clearing up of windrows—some of which had previously been done by contractors. This was necessary as contractors proved unable to cope with the work required to be done in the short time available when burning operations are practicable.

Set out hereunder are details of the land preparation and sowing during the year under review with aggregate total since the project commenced in 1956.—

	For Year 1964-65.	Total as at 30th June, 1965.
	acres.	acres.
Area cleared	4,543	70,036
Area plowed	7,093	66,155
Area sown to pasture	6,841	64,521

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

Houses	186
Dairies	188
Utility sheds	197
Hay Sheds	155
Fencing	791 miles
Roading	137 miles have been constructed with the Country Roads Board as the constructing authority.

It is of interest to record that a substantial investment is being made by a dairy products processor in a new factory being established at Simpson.—



The Honorable J. C. M. Balfour, M.L.A. (Minister of Lands), Mr. I. K. Morton (Chairman) and Mr. W. N. Melrose (Officer in Charge of Project) inspecting first year pasture at Heytesbury on former virgin bush.

East Goulburn Irrigation Area.

Further progress has been made in this settlement area during the past year—eighteen dairy farms and three canning fruit orchards were allocated.

Land preparation was carried out on a further 21 dairy farms, each of which is now sown to a basic area of 70 acres of pasture. Sowing was somewhat delayed due to the dry autumn conditions which prevailed.

Allocation of these farms is planned for the spring of 1965, which will almost bring to a close the development and settlement of this area. The subdivision design provided for 171 orchards and dairy farms under irrigation. Initial development began in August, 1957.

The structural improvements effected during the year and the total on the project to 30th June, 1965, are as follows :—

—	Total to 30th June, 1964.	Completed During the Year.	Completed to 30th June, 1965.
Houses	131	23	154
Packing Sheds and Utility Sheds ..	125	33	158
Dairies	53	13	66
Haysheds	47	19	66
Fencing	197 miles	82 miles	279 miles

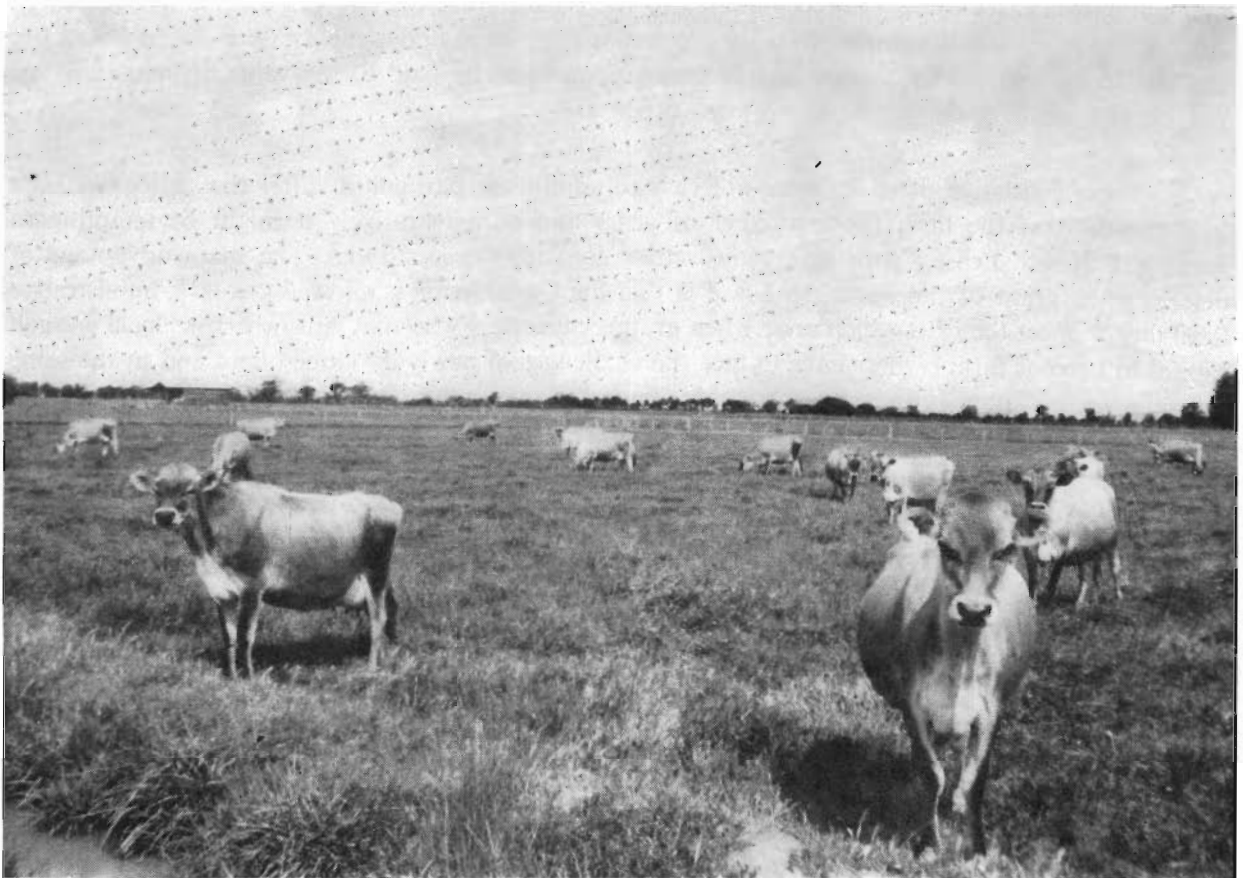
In addition, 47 dams were sunk on dairy farms during the year.

Yanakie.

The remaining seven farms in this area were allocated completing the settlement of this 12,000 acres Crown Land Project, the subdivision of which produced 46 farms. These comprise 16 soldier settlers and 30 Land Settlement Act settlers.

Of the area settled under Land Settlement nearly 2,000 acres consists of a peat swamp, which has been drained and sown out to pasture. This area with careful management and farm husbandry on the part of the settler occupants, is developing into highly productive land.

On the holdings which have now been developed and settled some years, production from dairy cows and in some instances fat lambs has been of high level and, in the overall, this area gives every indication of proving a worthwhile settlement project.



Irrigated pasture—East Goulburn Dairying Holding.

General.

With the near completion of East Goulburn and Yanakie Projects, and Heytesbury reaching an advanced stage it is appropriate to explore other possibilities, and the Commission in consultation with the Minister has been exploring the relative possibilities of other areas. Development of Crown land formerly by-passed presents a real challenge and when coupled with placing people on land who would not otherwise have sufficient capital, cannot be undertaken without risk and some financial loss.

Division 6 Advances.

The Commission is empowered to make advances to settlers, pursuant to Division 6 of the Act, for the purchase of stock, plant and equipment, &c., and for other purposes.

The total of advances so made reached £315,350 at 30th June, 1965, whilst £111,537 has been repaid up to that date, a sum of £326 was written off and the balance outstanding is £203,487.

As was the case in the previous year, it has been again necessary to provide carry-on expenses for a number of settlers who are engaged in fruit growing in the East Goulburn Irrigation Area to assist them to produce the 1965-66 crop. However, market conditions were not as uncertain as in the previous year and crops were generally better. Given similar conditions in the ensuing season, the incidence of carry-on advances should diminish as more orchards come into full bearing.

A further twelve settlers took up shares in the co-operative fruit grading venture with advances made by the Commission. The total number of settlers so assisted is now 46 and the total of advances made is £12,400.

Valuation of Allotments—Purchase Leases.

The grant of Purchase Leases was approved for 81 settlers during the year which were the first Purchase Leases to be granted pursuant to the *Land Settlement Act 1959*. The provisions of that Act require that the capital liability the settler is to meet under the Lease is to be based on, but not to exceed, market values, and for proper regard to be paid to the value of improvements put on the farm by the settler at his own expense.

These legislative provisions are not easy to administer particularly after the settler has been in occupation of the farm for a number of years and administratively it might be tempting to name a Purchase Lease figure before the settler goes into occupation. The main advantage of deferring the grant of the Purchase Lease is that the Commission is allowed greater administrative flexibility to meet the calls which arise when groups of settlers who may not otherwise have enough capital to become farm owners have to face the challenges of newly developed land and at the same time allows the Commission to be reasonably assured of reasonable consolidation on the farm before the Purchase Lease is granted.

The Act also provides that excess costs of development (if any) over the Purchase Lease liabilities are to be transferred to and borne by the State. Pursuant to this provision, excess costs amounting to £573,877 13s. 9d. were written off. Of this amount, £225,448 related to interest capitalized which accrues during early development and particularly during the first years of a settler's occupancy when concessional rentals are charged, and the Commission has been relieved of liability for this amount of interest. The balance of £348,429 13s. 9d. which has been transferred to the State Account, comprises excess costs of development including expenditure on main roads to which the Commission is a substantial contributor.

It is apparent that seasonal conditions during the period of development and the early stages of a settler's occupancy have a significant influence on costs.

STAFF.

The Commission again wishes to record its appreciation of the manner in which its staff have carried out their duties.

It also wishes to express thanks to those Departments and Instrumentalities from which it has received advice and co-operation.

The Commission would also wish to acknowledge the helpful way in which it has been possible to present its views to the R.S.L., the Graziers' Association and kindred organizations with an interest in the affairs of the man on the land.

I. K. MORTON, Chairman.

C. O. HARRY, Deputy Chairman.

L. L. BEARDSELL, Member.

M. J. CRONIN, Acting Secretary.

RURAL FINANCE AND SETTLEMENT COMMISSION.

GOVERNMENT AGENCY DEPARTMENT.

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1965.

(Adjusted to the nearer £.)

	£	£	£
Receipts—			
Cash in Hand Brought Forward 1st July, 1964			14,823
Funds Provided by Treasurer of Victoria from—			
Loan Fund		250,000	
Decentralization Fund		69	
		—————	250,069
Repayments by Borrowers—			
Principal		94,680	
Interest		19,005	
		—————	113,685
			—————
			378,577
Payments—			
Loans and Advances—			
Flood Relief—Lake Corangamite		6,000	
Capital Improvements—Sunraysia District		752	
Secondary Industries		133,796	
Assistance to Tobacco Growers		5,402	
Capital Improvements—Tresco District		529	
Hail Damage—Orchardists		1,556	
Bush Fire Relief		57,790	
Miscellaneous		8,300	
		—————	214,125
Repayments Treasurer of Victoria—			
Principal		94,680	
Interest		19,005	
		—————	113,685
			—————
			327,810
Cash in Hand Carried Forward 30th June, 1965			—————
			50,767

I. K. MORTON, Chairman.

C. O. HARRY, Deputy Chairman.

L. L. BEARDSSELL, Member.

M. J. CRONIN, Acting Secretary.

J. E. GLASSBOROW, Accountant.

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, 1965. 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,

2nd September, 1965.

RURAL FINANCE AND SETTLEMENT COMMISSION.

GOVERNMENT AGENCY DEPARTMENT.

STATEMENT OF BALANCES AS AT 30TH JUNE, 1965.

(Adjusted to the nearer £.)

1964					1965
£				£	£
713,527	Advances from Treasurer of Victoria	..	..	..	963,596
270,174	Less Repayments	..	..	..	364,854
152	Bad Debts Written Off	..	..	..	152
<u>270,326</u>					<u>365,006</u>
443,201					598,590
Loans and Advances under Government Agency Schemes—					
				Total	Balance
				Expenditure	Outstanding
145,956	Flood Relief—Lake Corangamite	..	..	221,800	135,569
29,971	Rehabilitation of Peach Growers—Goulburn Valley	..	..	53,065	26,430
29,579	Capital Improvements—Sunraysia District	..	..	69,801	22,144
174,040	Secondary Industries	..	..	343,787	264,883
877	Tobacco Grower's Assistance	..	..	22,497	2,236
1,393	Assistance to Apiarists	..	..	6,936	1,080
1,754	Hail Damage—Sunraysia District	..	..	47,896	421
2,000	Tourist Development	..	..	15,050	1,000
1,838	Hail Damage—Tresco District	..	..	10,368	1,536
7,171	Capital Improvements—Tresco District	..	..	8,806	7,022
33,089	Hail Damage—Orchardists	..	..	43,833	19,172
—	Bush Fire Relief	..	..	57,790	57,750
710	Miscellaneous	..	..	11,200	8,580
<u>428,378</u>				<u>912,829</u>	<u>547,823</u>
14,823	Cash in Hand	..	..	..	50,767

I. K. MORTON, Chairman.

C. O. HARRY, Deputy Chairman.

L. L. BEARDSSELL, Member.

M. J. CRONIN, Acting Secretary.

J. E. GLASSBOROW, Accountant.

R. W. GILLARD, Auditor-General,

2nd September, 1965.

RURAL FINANCE AND SETTLEMENT COMMISSION.

RURAL REHABILITATION FUND AND FARMERS' DEBTS ADJUSTMENT ACTS.

CAPITAL BALANCE-SHEET AS AT 30TH JUNE, 1965.

(Adjusted to the nearer £.)

ASSETS.		1964	1965
		£	£
9,328	Advances <i>Farmers' Debts Adjustment Act 1943</i>		7,542
479,406	Advances under <i>Farmers' Debts Adjustment Act 1935</i> and Part IV. <i>Rural Finance Act 1958</i>		374,694
<hr/>		488,734	<hr/>
1,871,940	Held by Treasurer of Victoria—Rural Rehabilitation Fund		1,976,652
<hr/>		2,360,674	<hr/>
LIABILITIES.			
9,328	Treasurer of Victoria for Advances <i>Farmers' Debts Adjustment Act 1943</i> —Less Repayments		7,542
2,351,346	Funds Provided by Grant under Commonwealth <i>Loan (Farmers' Debt Adjustment) Act 1935</i> —Including Interest on Mortgages—Less Amounts Written Off ..		2,351,346
<hr/>		2,360,674	<hr/>

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R. W. GILLARD, Auditor-General,

2nd September, 1965.

RURAL FINANCE AND SETTLEMENT COMMISSION.

RURAL FINANCE AND SETTLEMENT INSURANCE FUND.

YEAR ENDED 30TH JUNE, 1965.

(Adjusted to the nearer £.)

1964		1965
£		£
616,316	Balance Brought Forward 1st July, 1964—	682,502
—	<i>Less</i> —Certified Surplus as at 1st July, 1964, Transferred to Rural Finance and Settlement Fund Pursuant to Section 29 (12) of Act No. 6846 as amended	182,502
616,316		500,000
92,065	<i>Add</i> —Premiums	92,016
9,184	Interest on Investments	23,810
101,249		115,826
717,565		615,826
22,036	<i>Less</i> —Claims Admitted	34,105
8,186	Fire Authority Contributions	7,793
4,841	Administration Expenses	5,975
35,063		47,873
682,502	Balance Carried Forward 30th June, 1965	567,953
REPRESENTED BY—		
41,557	Cash	14,458
640,325	Investments	555,869
5,317	Accrued Interest	7,069
7,979	Debtors for Premiums	6,437
695,178		583,833
12,676	<i>Less</i> —Claims Admitted But Not Paid	15,880
682,502		567,953

I. K. MORTON, Chairman.

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J. E. GLASSBOROW, Accountant.

R. W. GILLARD, Auditor-General,

2nd September, 1965.

RURAL FINANCE AND SETTLEMENT COMMISSION.

RURAL FINANCE ACTS.

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 30TH JUNE, 1965.

(Adjusted to the nearer £.)

1964 £		£	£	1965 £
	Income—			
572,403	Interest			618,567
10,096	Application and Legal Fees, &c.			10,603
<u>582,499</u>				<u>629,170</u>
	Less—			
	Expenditure—			
379,546	Interest on Loan Indebtedness		451,450	
19,159	Interest on Redeemed Securities—National Debt Sinking Fund		22,152	
	Administration—			
47,550	Salaries	52,386		
19,575	General Expenses	19,245		
			71,631	
	Provision for—			
2,414	Long Service Leave	1,260		
6,100	Superannuation	6,158		
			7,418	
<u>474,344</u>				<u>552,651</u>
108,155	Operating Profit for Year			76,519
	Less—			
25,057	National Debt Sinking Fund Contribution		26,631	
4,553	Discounts and Expenses on Loans		2,869	
40,794	Bad and Doubtful Debts		20,783	
<u>70,404</u>				<u>50,283</u>
37,751	Net Profit for Year Transferred to Rural Finance and Settlement Fund Profit and Appropriation Account			26,236

I. K. MORTON, Chairman.
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J. E. GLASSBOROW, Accountant.

R. W. GILLARD, Auditor-General,
2nd September, 1965.

RURAL FINANCE AND SETTLEMENT COMMISSION.

RURAL FINANCE AND SETTLEMENT FUND.

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR YEAR ENDED 30TH JUNE, 1965.

(Adjusted to the nearer £.)

1964		1965
£		£
63,371	Balance Brought Forward 1st July, 1964	16,160
<i>Add—</i>		
	Transfer from Rural Finance and Settlement Insurance Fund Surplus	
	as at 1st July, 1964	182,502
37,751	Net Profit Rural Finance Acts year ended 30th June, 1965	26,236
232,800	Amount received from Consolidated Revenue Pursuant to Section 25	
	Sub-section (5) <i>Rural Finance and Settlement Commission Act 1961</i>	
	(as amended)	224,140
333,922		449,038
<i>Less—</i>		
157,822	Costs of Administration Soldier Settlement Acts	138,220
84,940	Costs of Administration Land Settlement Acts	82,885
35,000	Further Provisions for Contingent Liabilities for Superannuation	
	taken over 1st July, 1963	30,000
40,000	Appropriation to Loan Equalization Account	140,000
317,762		391,105
16,160	Balance Carried Forward 30th June, 1965	57,933

I. K. MORTON, Chairman.
C. O. HARRY, Deputy Chairman.
L. L. BEARDSELL, Member.
M. J. CRONIN, Acting Secretary.
J. E. GLASSBOROW, Accountant.

R. W. GILLARD, Auditor-General,
2nd September, 1965.

RURAL FINANCE AND SETTLEMENT COMMISSION.

RURAL FINANCE AND SETTLEMENT FUND.

BALANCE-SHEET AS AT 30TH JUNE, 1965.

(Adjusted to the nearer £.)

1964			1965
£	ASSETS.		£
	Current Assets—		
3,137	National Debt Sinking Fund Cash		2,900
—	Inter Fund Adjustment Account		731
159,801	Interest Due and Accrued		187,644
1,154	Prepayments		386
204,472	Cash—At Bank and On Hand		26,470
510,000	At Call		600,000
878,564			818,131
429,922	Investments At Cost On Account of Reserves and Provisions		537,842
1,308,486			1,355,973
	Less Current Liabilities and Provisions—		
7,963	Trust Account—Amounts in Suspense	20,643	
48,460	Settlers Proceeds Held	55,930	
12,719	Inter Fund Adjustment Account	—	
8,731	Sundry Creditors	7,296	
24,593	Provision for Long Service Leave	24,170	
94,434	Provision for Superannuation	151,935	
196,900			259,974
1,111,586			1,095,999
10,095,018	Loans Under Part III. Rural Finance Acts	10,819,362	
209,483	Less—Provision for Doubtful Debts	229,255	
9,885,535			10,590,107
	Fixed Assets At Cost Less Depreciation—		
8,347	Furniture and Office Equipment	7,437	
16,228	Motor Vehicles	18,055	
—	Residences and Officers	975	
24,575			26,467
11,021,696	Total Assets		11,712,573
	REPRESENTED BY—		
	Loan Liability to Treasurer of Victoria—		
10,596,307	Amounts Applied from Loan Fund	11,089,175	
492,268	Less Securities Redeemed National Debt Sinking Fund	564,162	
10,104,039			10,525,013
	Capital Reserves and Accounts—		
495,405	National Debt Sinking Fund Reserve	567,062	
40,000	Loan Equalization Account	180,000	
535,405			747,062
	Revenue Reserves and Accounts—		
366,092	General Reserve	382,565	
16,160	Profit and Loss Appropriation Account	57,933	
382,252			440,498
11,021,696			11,712,573

NOTES.—(1) The Accrued Contingent Liability for Superannuation payable by the Commission in future is estimated to exceed the Provision for Superannuation as at 30th June, 1965 by £83,000.

(2) Commitments on Loans under Part III. *Rural Finance Act* 1958, approved but not paid as at 30th June, 1965, amounted to £929,526.

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, 1965, 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,

2nd September, 1965.

I. K. MORTON, Chairman.
C. O. HARRY, Deputy Chairman.
L. L. BEARDSELL, Member.
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J. E. GLASSBOROW, Accountant.

RURAL FINANCE AND SETTLEMENT COMMISSION.

SOLDIER SETTLEMENT ACTS.

CAPITAL ACCOUNT—BALANCE-SHEET AS AT 30TH JUNE, 1965.

(Adjusted to the nearer £.)

CAPITAL LIABILITIES.		1964	1965
		£	£
	Loan Liability—Treasurer of Victoria—		
58,212,324	Amounts issued and applied from Loan Fund		58,256,148
23,807,265	Less—Repayments to Loan Fund Credit Account		25,634,552
			<hr/>
34,405,059			32,621,596
10,543,184	Less—Amount Transferred To and Borne by State under Section 53 Reduced by Claims on Commonwealth for Capital Contributions ..		10,548,667
			<hr/>
23,861,875			22,072,929
	Loan Liability To Commonwealth Government—		
	Amounts Received under Commonwealth—State Agreement ..	7,198,703	
	Less—Repayments	366,674	
			<hr/>
6,888,384			6,832,029
104,937	Liability for Crown Lands Taken Over and Set Apart for Settlement		96,096
173,823	Liability to Consolidated Revenue for Interest Capitalized during Development Period Less Amount Relieved under Section 53 ..		10,328
—	Amount Due to Rural Finance and Settlement Fund for Capital Expenditure		238
			<hr/>
31,029,019	Total Capital Liabilities		29,011,620

REPRESENTED BY CAPITAL ASSETS.

1,418,715	Estates (Including Development and Improvement) not yet disposed of ..	192,474
276,487	Contracts of Sale for Disposal of Unsuitable Land	234,605
2,615,436	Land and Improvements under Interim Lease Part 6 Division 2 ..	1,797,360
19,495,320	Land and Improvements under Purchase Lease Part 6 Division 3 ..	19,712,880
145,173	Land and Improvements under Mortgage Section 67A Part 6 Division 3	249,295
		<hr/>
		19,962,175
5,537,434	Mortgages under Part 7, Single Unit Farms	5,169,721
271,659	Advances Part 8	141,879
1,150	Expenses not yet Allocated	812
38,891	Buildings and Working Plant at Cost Less Depreciation	38,742
692,119	Commonwealth Government for Balance of Share of Excess Costs ..	942,977
	Capital Expenses Not Borne By Estates—	
491,451	Discounts and Expenses on Loans	496,326
22,970	Depreciation	22,970
8,969	Bad Debts Written Off Less Recoups	11,579
		<hr/>
		530,875
13,245	Amounts Due from Rural Finance and Settlement Fund	—
		<hr/>
31,029,019		29,011,620

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, 1965, and the Profit and Loss Account correctly summarizes the relevant transactions during the year ended 30th June, 1965.

R. W. GILLARD, Auditor-General,
2nd September, 1965.

I. K. MORTON, Chairman.
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RURAL FINANCE AND SETTLEMENT COMMISSION.

SOLDIER SETTLEMENT ACTS.

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 30TH JUNE, 1965.

(Adjusted to the nearer £.)

1964 £		£	1965 £
1,693,324	Interest on Loan Liabilities .. .. .	..	1,610,900
—(23,533)	Interest Capitalized Written Back .. .. .	..	59,138
<u>1,669,791</u>			<u>1,670,038</u>
447,529	Less—Interest on Loan Liability Transferred and Borne by State..	..	492,359
<u>1,222,262</u>			<u>1,177,679</u>
	Less—Income—		
600,736	Interest Earned	567,882	
3,168	Rents, Fees and Other Income	5,921	
—	Recoup of Payments in Lieu of Shire Rates Less Payments	2,262	
<u>603,904</u>			<u>576,065</u>
618,358	Add—Costs of Administration—		601,614
97,966	Salaries	98,031	
40,329	General Expenses	24,050	
<u>138,295</u>			<u>122,081</u>
	Provisions—		
5,177	Long Service Leave	2,477	
12,567	Superannuation	11,952	
<u>17,744</u>			<u>14,429</u>
406	Remissions of Rents and Interest Less Recouped .. .. .	..	220
2,326	Payments in Lieu of Shire Rates Less Amounts Recouped .. .. .	..	—
<u>777,129</u>	Net Loss for Year Transferred to Accumulated Deficiency .. .. .	..	<u>738,344</u>
	ACCUMULATED DEFICIENCY AS AT 30TH JUNE, 1965.		
7,406,141	Accumulated Deficiency Brought Forward 1st July, 1964 .. .. .	..	8,183,270
777,129	Add—Loss for Year Ended 30th June, 1965 .. .. .	..	738,344
<u>8,183,270</u>	Accumulated Deficiency Carried Forward .. .. .	..	<u>8,921,614</u>
	THIS DEFICIENCY HAS BEEN MET AS FOLLOWS :—		
8,197,019	Consolidated Revenue—Interest and Costs of Administration Less		
157,822	Amounts Paid to Consolidated Revenue .. .. .	..	8,780,673
<u>8,354,841</u>	Rural Finance and Settlement Fund—Costs of Administration .. .. .	..	<u>296,042</u>
			<u>9,076,715</u>
168,965	Less—Interest Due and Accrued .. .. .	..	155,101
2,606	Amounts Payable by Rural Finance and Settlement Fund for		
	Items Transferred .. .. .	..	—
<u>171,571</u>			<u>—</u>
<u>8,183,270</u>			<u>8,921,614</u>

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 Governments's share to date is £ 188,908
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 6,417,187
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 2,878,751

R. W. GILLARD, Auditor-General,
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RURAL FINANCE AND SETTLEMENT COMMISSION.

LAND SETTLEMENT ACTS.

CAPITAL ACCOUNT—BALANCE-SHEET AS AT 30TH JUNE, 1965.
(Adjusted to the nearer £.)

CAPITAL LIABILITIES.

1964 £		1965 £
	Loan Liability Treasurer of Victoria—	
8,001,386	Amounts Issued and Applied from Loan Fund	9,221,473
302,375	Less—Repayments to Loan Fund Credit Account	436,014
<u>7,699,011</u>		<u>8,785,459</u>
—	Less—Amount Transferred and Borne by State under Section 41	348,430
<u>7,699,011</u>		<u>8,437,029</u>
50,000	Amount Granted by Commonwealth Government	50,000
40,224	Crown Lands Taken Over and Set Apart for Settlement	47,488
828,029	Liability to Consolidated Revenue for Interest Capitalized during Development Period Less Interest Relieved Under Section 41	892,302
2,927	Amount Due to Rural Finance and Settlement Fund for Capital Expenditure ..	493
34,988	Settlers Credit Accounts	41,242
<u>8,655,179</u>	Total Capital Liabilities	<u>9,468,554</u>

REPRESENTED BY CAPITAL ASSETS.

7,989,249	Estates (Including Development and Improvement) Not Yet Disposed Of ..	7,620,510
10,950	Contracts of Sale for Disposal of Unsuitable Land	10,172
—	Lands and Improvements under Purchase Lease under Division 4	1,173,269
137,709	Advances to Settlers Division 6	203,487
97,657	Plant, Materials and Services To Be Allocated	58,109
419,614	Buildings and Working Plant at Cost Less Depreciation	403,007
<u>8,655,179</u>		<u>9,468,554</u>

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, 1965, and the Profit and Loss Account correctly summarizes the relevant transactions during the year ended 30th June, 1965.

R. W. GILLARD, Auditor-General,
2nd September, 1965.

I. K. MORTON, Chairman.
C. O. HARRY, Deputy Chairman.
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RURAL FINANCE AND SETTLEMENT COMMISSION.

LAND SETTLEMENT ACTS.

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 30TH JUNE, 1965.

(Adjusted to the nearer £.)

1964 £		£	1965 £
327,443	Interest on Loan Liability .. .. .	..	380,271
298,892	Less—Interest Capitalized	311,630	
—	Interest on Loan Liability Borne by State	9,969	
			321,599
28,551			58,672
	<i>Add—Costs of Administration—</i>		
52,952	Salaries	59,635	
21,799	General Expenses	14,488	
			74,123
74,751			
	<i>Provisions—</i>		
3,396	Long Service Leave	1,504	
6,793	Superannuation	7,258	
			8,762
10,189			
—	Payments in Lieu of Shire Rates .. .. .	..	3,992
113,491			145,549
	<i>Less—Income—</i>		
91,591	Interest and Rents Earned .. .. .	..	109,933
21,900	Net Loss for Year Transferred to Accumulated Deficiency .. .. .	..	35,616
	<i>ACCUMULATED DEFICIENCY AS AT 30TH JUNE, 1965.</i>		
400,067	Accumulated Deficiency Brought Forward 1st July, 1964 .. .. .	..	421,967
21,900	Add—Loss for Year Year Ended 30th June, 1965 .. .. .	..	35,616
			457,583
421,967			131,512
105,173	Less—Profits on Livestock Trading Accounts .. .. .	..	326,071
316,794	Accumulated Deficiency Carried Forward .. .. .	..
	<i>THIS DEFICIENCY HAS BEEN MET AS FOLLOWS:—</i>		
	<i>Consolidated Revenue—Interest and Cost of Administration—</i>		
316,235	Less Amounts Paid to Consolidated Revenue .. .. .	..	252,759
85,146	Rural Finance and Settlement Fund—Costs of Administration .. .. .	..	167,826
			420,585
401,381			
25,867	Less—Interest and Rents Due and Accrued	32,894	
58,720	Livestock on Estates at Valuation	61,620	
			94,514
84,587			
316,794			326,071

I. K. MORTON, Chairman.
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