

1966-67
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VICTORIA

ANNUAL REPORT

OF THE

RURAL FINANCE AND
SETTLEMENT COMMISSION

FOR THE

YEAR ENDED 30TH JUNE, 1966

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, 1966.

LEGISLATION.

In the latter months of 1965, the *Land Settlement and Rural Finance Act 1965* was passed by Parliament. This Act contained amendments to the Soldier Settlement Act, the Land Settlement Act and the Rural Finance Act. The amendments to the Soldier Settlement Act rectified an anomaly created by earlier amending legislation relating to the re-financing of Single Unit Farmers at long-term Bond interest rate where they desired to be free of restrictions associated with their 2 per cent. mortgage. The current amendment was necessary to lift restrictions on transfers in these cases, a point that was missed in the drafting of the earlier legislation. The principal amendment to the Land Settlement Act was an increase from \$20 million to \$30 million in the authority to apply moneys from the Loan Fund for land settlement purposes. Other amendments related to an extension of compulsory acquisition powers to apply to small areas of land contiguous to Crown land being developed for land settlement; the position of the Commission's accounts where a deficiency in a surrendered or forfeited settler's advances account is written off; and finally clarification as to the Commission's position under the Fences Act on its projects prior to settlement. The amendment to the Rural Finance Act gave the Commission discretion regarding the charging of interest where repayment of loans is affected without notice—circumstances in which the charging of interest in lieu of notice was previously mandatory.

INSURANCE.

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

The overall position of the Fund continues to be satisfactory and no exceptional circumstances affected its operation.

ADMINISTRATION.

In common with all sections of the community, the Commission was confronted during the period under report with converting its accounts and records to decimal currency and it was pleasing to note that this was achieved without delay or inconvenience to the Commission's clients and its accounts were expressed in decimal currency as from 14th February, 1966.

The Commission receives an annual payment from the Treasury towards the cost of administering soldier and land settlement activities, limited to 1 per cent. of the balance of capital liability owing under leases and mortgages under the Soldier Settlement Act and the Land Settlement Act. As liabilities are reduced this contribution lessens without a corresponding fall in the number of accounts and administration work involved. In a period of rising wage-levels and costs the Commission is endeavouring to keep the matter of costs in hand.

RURAL FINANCE ACT.

Part III. Advances.

Advances to primary industries during the year totalled \$3,678,241 of which \$2,529,468 was to assist applicants to purchase farm properties and \$1,148,773 was for farm improvements, farm development, seasonal requirements and other purposes.

In addition to the above, \$881,177 was advanced to secondary industries.

In its loans to primary industry the Commission has endeavoured to continue to avoid too much lending on an unimproved holding to a person with practically no capital of his own where the amount needed to develop the farm to a reasonable standard is higher than the capacity of the farm to service as well as support a man and his family. To accommodate a borrower on the more productive type of farm and to allow flexibility in development to higher standards requires a larger average individual loan.

Secondary Industry.

During the year a total of \$881,176.61 was advanced to secondary industry in the country. In the main this was finance to existing borrowers for either expansion or rebuilding. The industries assisted included dairy processing, textile, fruit packing and processing, engineering and footwear.

It is of interest that loans to the dairying industry alone accounted for slightly more than half the aggregate loans made to secondary industry in the financial year 1965-66. The next major group of borrowers comprised companies engaged in fruit packing and processing.

Apart from the increasing productivity in specific areas and overall production generally, an important factor leading to expenditures in the dairying industry is the greater utilization of the non-fat contents of milk by the installation of large capacity milk powder and casein plants which in their own way represent a new look at the possibilities for the industry.

Whilst it is not the only influence at work, the trend which favours large scale output is a factor which gives encouragement to mergers between operating companies in order that they may make the best use of their facilities.

Generally, industries which have become established during recent years continue to make progress and provide further opportunities for employment. Perhaps the most important single factor in expansion or otherwise is good management.

Rural Rehabilitation Fund.

Repayments of loans made pursuant to the *Farmers Debts Adjustment Act* 1935 and the Rural Finance Act amounted to \$123,010.

No payments were made from the Fund during the year and the amount of the Fund at 30th June, 1966 was \$4,076,314.

Due to the limitations imposed by the Commonwealth under *Loans (Farmers Debts Adjustment) Act* 1935, the Fund can only be used to finance Compositions and Schemes of Arrangements with creditors of farmers who would not be able to carry on their farming operations without such assistance.

An approach to the Commonwealth Government with a view to extending the avenues through which this Fund may be used to meet emergencies in the farming community short of Compositions and Schemes of Arrangements would, perhaps, be worthy of consideration.

Government Agency.

In accordance with Section 35 of the *Rural Finance Act* 1958 under which the Treasurer of Victoria may direct the Commission, subject to such directions and conditions as he thinks fit, to take charge of the administration of any money provided from the Public Account for any special purpose, loans totalling \$2,085,626 have been made since 1956.

In the year in question the total amounts advanced to primary and secondary industry were \$207,718 and \$52,250 respectively. Of the former amount no less than \$191,651 represented advances to landowners who suffered losses in the January, 1965, bush fires in connexion mainly with restoration of improvements previously destroyed.

Assistance by way of drought relief was also made available to a few farmers in the East Gippsland area.

The Commission is also administering Frost Relief Loans to certain dried fruitgrowers in the Sunraysia, Robinvale and Mid-Murray areas whose previous crops were affected by severe frost damage towards the end of 1965.

Lending has been confined to assistance to finance the production of the next crop but the expenditure involved will be incurred in the 1966-67 financial year.

SETTLEMENT ACTIVITIES.

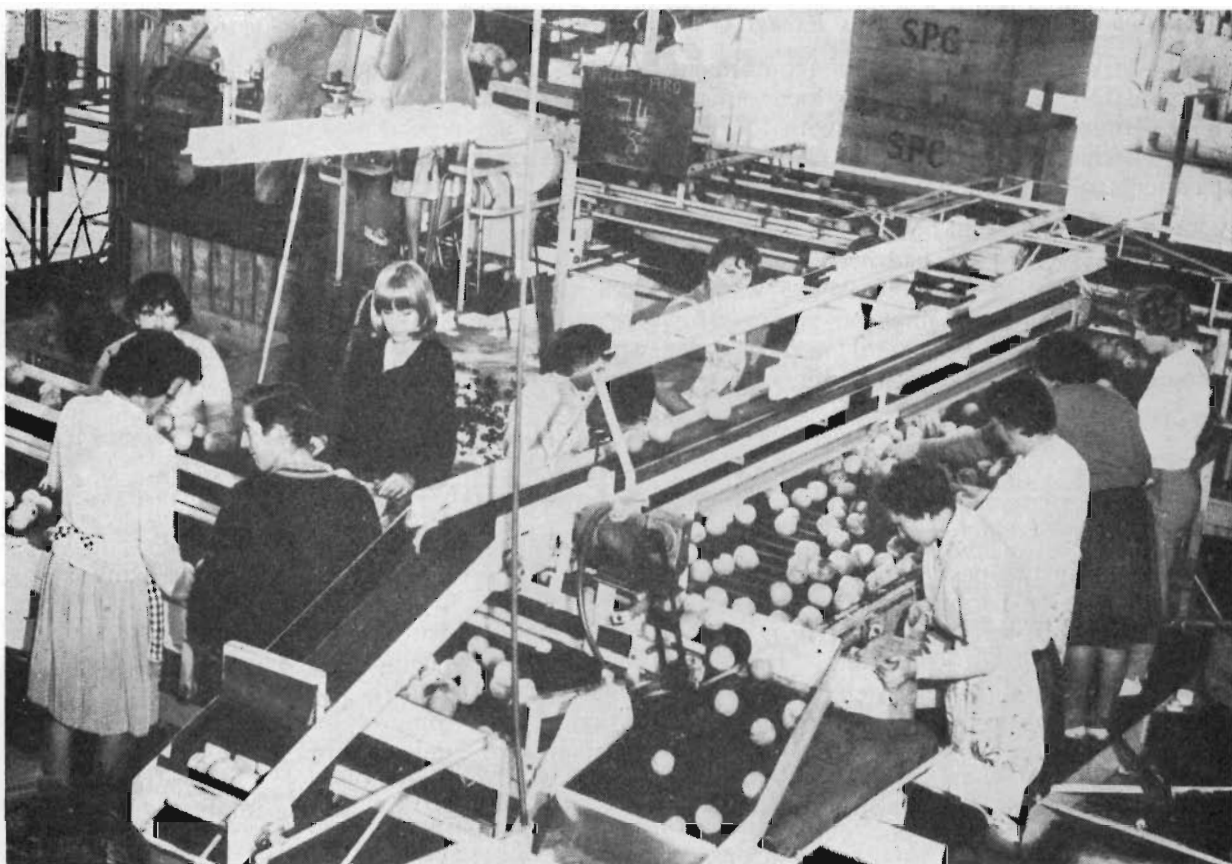
SOLDIER SETTLEMENT ACT.

Single Unit Farm Advances.

Of the total of 2,878 ex-servicemen assisted to purchase farms of their own choice, 1,528 have fully repaid their loans and of \$23,917,339 advanced, the balance still outstanding has been reduced to \$9,879,003. Contributions to Mortgagors' Credit Account by existing borrowers totalled \$321,320.

Assistance Period Granted to Settlers.

A sum of \$1,706 by way of free living allowance to two settlers was contributed by the Commonwealth pursuant to the War Service Land Settlement Agreement. The total number of settlers so assisted is 3,172 and total expenditure is \$2,431,130.



Co-operative Fruit Grading Centre on the East Goulburn Project.

Advances to Soldier Settlers for Stock, Plant, Equipment, &c., Pursuant to Part III. of the Soldier Settlement Act.

During the period in question a further sum of \$17,572 was advanced whilst repayments were \$159,694 and balance outstanding is \$141,636.

Interim and Purchase Credit Accounts.

Of a total of \$2,011,949 contributed by settlers to Interim Credit Account, \$1,993,554 has been applied in reduction of capital liabilities at the grant of Purchase Lease. \$18,395 at this stage remains in Interim Credit Accounts. A sum of \$688,666 stands to the credit of settlers in their Purchase Credit Accounts.

General.

A further 30 soldier settlers freeholded their farms pursuant to the provisions of Section 67A of the Soldier Settlement Act, executing in each case a freehold mortgage in favour of the Commission to secure the balance of liability.

The total number of settlers who have taken this action in order to be free of the restrictions applicable to the Purchase Lease with its concessional interest rate and long term repayment is now 67 of which 11 have repaid in full. The amount secured by mortgages under this section of the Act is \$781,265.

Agricultural Loans Pursuant to Commonwealth Re-establishment and Employment Act.

Of the total amount advanced, \$3,593,702, all but \$60,955 has now been repaid.

Valuation of Allotments.

In the financial year under review a further 109 Purchase Lease Liabilities were determined bringing the total number of Purchase Leases granted to 3,010. There now remains only 27 holdings in respect of which Purchase Leases have yet to issue.

As at 30th June, 1966, a total of 677 Purchase Lease settlers had repaid their liabilities in full and had obtained Crown grants in respect of their farms. Of this number 103 repaid during the year covered by this report.

Commonwealth Contribution to Excess Costs of Settlement.

In accordance with the arrangement made with the Commonwealth in July, 1951, the Commission has continued to lodge interim claims for excess costs of settlement. Further, 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.

As at the 30th June, 1966, total claims amounting to \$15,387,764 had been lodged. An amount of \$12,824,818 had been paid, the amount withheld at 30th June, 1966, being \$2,562,946. Of this amount, a sum of \$94,685 was acknowledged by the Commonwealth and will be paid early in the following financial year. However, no agreement has yet been reached in respect of the balance of \$2,468,261 in respect of which the Commission has tried to make further progress with the Commonwealth Authorities but so far without avail.

SETTLEMENT UNDER THE LAND SETTLEMENT ACT.

Acquisition of Land.

During the past twelve months, an additional 94 acres of freehold land was acquired by the Commission for inclusion in the Heytesbury Project. In addition, an area of 2,501 acres of freehold land has been acquired by agreement in connexion with a new irrigation project which is being established at Rochester. It has been necessary to take compulsory acquisition proceedings in respect of other properties embraced by this project. Efforts to reach agreement by negotiation are still proceeding although it seems inevitable that at least some of the cases will finally reach the Court to determine compensation. The total area of land acquired pursuant to the Land Settlement Act now stands at 20,489 acres, purchased at a total cost of \$1,453,342. In addition, an area of 106,681 acres of Crown lands has been set apart for settlement under the Land Settlement Act.

Allocation of Farms.

In the past twelve months under review a further 73 holdings were allocated.

The holdings which have been developed and made available for allocation under the Land Settlement Act now number 421 consisting of 256 dairy farms under rainfall conditions, 86 irrigation dairy farms, and 79 soft fruit orchard holdings.

There has been a noticeable increase in the number of applicants applying for holdings in the Heytesbury Settlement Area.

When the latest group of holdings at Heytesbury was notified as available for application on the 7th February, 1966, four of the farms were reserved for allocation under special conditions. These related to the allocation to the young sons of farmers who had stayed on the home farm and appeared to be at a disadvantage in competing with other applicants who had moved out on their own account as share farmers and the like. This group of applicants contained many worthwhile young men whose efforts had been directed towards the home farm and whose parents were prepared to acknowledge this help, by providing backing to carry out development on the settlement farms and stocking thereof should they be successful in being allocated blocks. This approach was well received and could be repeated as future groups of holdings become ready for settlement.

Heytesbury.

Favourable seasonal conditions were experienced in the area both for settler occupants and further developmental operations being carried out by the Commission.

These conditions allowed clearing to be carried out longer than is normally the case resulting in an increase in the area covered in this operation, Similarly the area plowed showed an increase.

Whilst the area sown shows a slight decrease, pasture seed has gone in on a much improved seed bed.

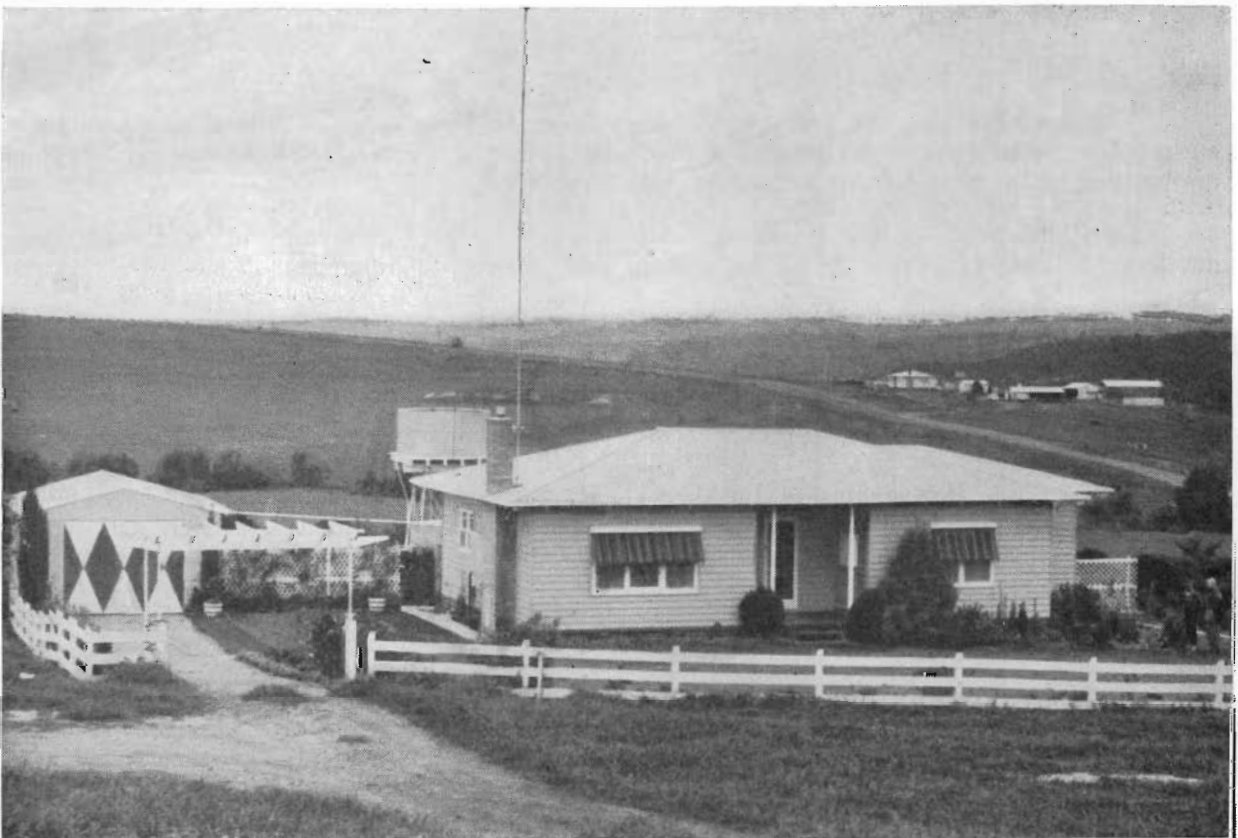
Clearing up and burning of windrows and log heaps by Commission plant has continued, but is still a difficult operation.

Some 33,000 acres were aerial topdressed by contract, on sown but unallotted areas of pasture.

Grass caterpillars again made their appearance on unallotted areas, in the Autumn, necessitating spraying operations being carried out. New plant for this work is being developed, which it is anticipated will accelerate this operation. The persistence of these pests is probably aggravated by the very size of the project as similar conditions are not duplicated elsewhere.



Windrowing operations on the Heytesbury Project.



A Commission house provided for settlers on the Heytesbury Project.

The following table gives the year's totals and progressive totals of land preparation and sowing operations :—

—	Total for Year 1965-66.	Progress Total to 30th June, 1966.
	acres.	acres.
Area cleared	6,420	76,456
Area plowed	9,960	76,115
Area sown to pasture	6,374	70,895

On the settlement side of this project 51 settlers took up occupation of their allotted holdings during the year to bring the total number now in occupation to 226.

Settlers generally continue to achieve very pleasing production figures, particularly after the initial settling in period with some very creditable results in herd testing figures which confirm the capacity of this area for development into highly productive dairy farms.

Towards the end of the year a cheese factory commenced operations at Simpson and it anticipates being well up to capacity in the coming season. A venture of this nature will absorb a deal of local labour.

Structural improvements effected during the year, with progress totals are :—

—	Total for Year Ending 30th June, 1966.	Progress Total as at 30th June, 1966.
Houses	48	234
Dairies	43	231
Utility sheds	56	253
Haysheds	45	200
Fencing	146 miles	937 miles
Roading	142 miles*	..

* One hundred and forty-two miles of roading have been constructed in this area up to 30th June, 1966. The Country Roads Board is the constructing Authority.

East Goulburn.

The sowing during the year of two dairy farms to basic areas of annual and permanent pasture completed basic development in this area. The work of sowing was delayed beyond normal due to the dry Autumn conditions which prevailed.

Since inception of the project in August, 1957, over 8,200 acres of land have been developed as follows to provide 88 dairy farms and 79 orchard holdings :—

Pasture—Annual	1,200 acres	
Permanent	4,985 acres	
	<u>6,185 acres</u>	
Canning Fruits	2,925 acres	
	<u>8,210 acres</u>	

Dairy production figures in this area have reached very satisfying levels, especially on farms where pastures have had the opportunity to develop and consolidate. Herd test figures show that averages compare more than favourably with old established herds and farms in other parts of the State. With the good management capacity being shown by settler occupants, as time passes, averages should increase. The policy of lightly stocking pastures in their early life is proving beneficial in the long run.

On a small area of peaches on one orchard a sub-surface drainage system has been laid down in co-operation with the Department of Agriculture. Whilst this has only been in operation for one year, tests carried out and results observed have so far shown it as being an informative and worthwhile trial which has evinced considerable interest among irrigation fruit growers.

Allocations during the year totalled 21 dairy farms and six canning fruit orchards.

Yanakie.

With the erection of five haysheds and a further 23 miles of fencing on this settlement during the year, the housing, outbuilding and basic fencing development has now been completed.

The season past has been a bountiful one, with production from dairying and fat lambs being maintained. Good hay reserves have been laid down.

The main drain serving the peat swamp was cleared of weed growth and silt, and a spraying program carried out over its greater length. Representations are being made to the appropriate authority to have the area served by this drain declared a "Drainage Area", which should provide for its future maintenance.

It is also pleasing to record that the settlers at Yanakie are building a first class community centre and public hall.

Rochester.

The new irrigation settlement being planned in this area, is to be serviced by water from the Eppalock Reservoir, enlargement of which has been completed by the State Rivers and Water Supply Commission.

As mentioned earlier in the Report, some land has already been purchased within the area declared as suitable for settlement.

Development work to date has been confined to the grading of some 350 acres of plowed land, and the erection of three miles of new boundary fencing between land purchased and that retained by vendors.

Division 6 Advances.

The Commission has continued in its policy of assisting settlers, whose capital is limited, to purchase essential stock and plant in the early stages of their occupancy. The total advances to date is \$843,391 of which repayments total \$504,193 and the amount written off is \$4,146.

The call for seasonal advances to fruit grower settlers in the East Goulburn Irrigation Area was again heavy. The crop returns were, in the main, better than those of the previous season and the majority of the settlers of the early allocations are now consolidating their position.

Assistance was also made available to a further six settlers to purchase shares in the co-operative fruit grading venture. A total of 52 settlers have now been assisted with total expenditure \$33,226 of which \$28,162 is still outstanding.

Valuation of Allotments—Purchase Leases.

The grant of Purchase Leases was approved for a further 52 settlers during the year, making a total of 133 cases, for which Purchase Leases have been granted pursuant to the *Land Settlement Act 1959*.

The Land Settlement Act 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 \$1,713,802.27 have been written off. Of this amount \$785,103.10, 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 \$928,699.17, 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.

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 other Departments and Instrumentalities from which it has received advice and co-operation.

The Commission also acknowledges the helpful way in which its views have been received by the Returned Servicemen's League, the Graziers' Association, the Australian Primary Producers' Union and kindred bodies with an interest in farmers and farming matters.

I. K. MORTON, Chairman.

C. O. HARRY, Deputy Chairman.

M. J. CRONIN, Secretary.

L. L. BEARDSSELL, Member.

RURAL FINANCE AND SETTLEMENT COMMISSION.

GOVERNMENT AGENCY DEPARTMENT.

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1966.

(Adjusted to the nearer \$.)

	\$	\$	\$
Receipts—			
Cash in Hand Brought Forward 1st July, 1965 .. ..	..	..	101,534
Funds Provided by Treasurer of Victoria from Loan Fund .. ..	..	..	250,000
Repayments by Borrowers—			
Principal .. .. .	..	..	103,099
Interest .. .. .	..	..	51,702
			154,801
			506,335
Payments—			
Loans and Advances—			
Secondary Industries .. .. .	..	..	52,250
Capital Improvements—Tresco District .. .. .	..	..	2,941
Hail Damage—Orchardists .. .. .	..	..	1,938
Bush Fire Relief .. .. .	..	..	191,651
Drought Relief .. .. .	..	..	5,188
Miscellaneous .. .. .	..	..	6,000
			259,968
Repayments Treasurer of Victoria—			
Principal .. .. .	..	..	103,099
Interest .. .. .	..	..	51,702
			154,801
			414,769
Cash in Hand Carried Forward 30th June, 1966 .. ..	..	..	91,566

I. K. MORTON, Chairman.

C. O. HARRY, Deputy Chairman.

L. L. BEARDSELL, Member.

M. J. CRONIN, Secretary.

J. E. GLASSBOROW, 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, 1966. 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.

A. J. A. GARDNER, Auditor-General,
12th October, 1966.

RURAL FINANCE AND SETTLEMENT COMMISSION.

GOVERNMENT AGENCY DEPARTMENT.

STATEMENT OF BALANCES AS AT 30TH JUNE, 1966.

(Adjusted to the nearer \$.)

1965					1966
\$				\$	\$
1,927,192	Advances from Treasurer of Victoria				2,177,192
729,708	Less Repayments			832,806	
304	Bad Debts Written Off			37,694	
<u>730,012</u>					<u>870,500</u>
1,197,180					1,306,692
	Loans and Advances under Government Agency Schemes—				
				Total	Balance
				Expenditure	Outstanding
271,138	Flood Relief—Lake Corangamite			443,600	237,216
52,860	Rehabilitation of Peach Growers—Goulburn Valley			106,130	40,400
44,288	Capital Improvements—Sunraysia District			139,602	32,768
529,766	Secondary Industries			739,825	528,250
4,472	Tobacco Grower's Assistance			44,993	..
2,160	Assistance to Apiarists			13,872	1,983
842	Hail Damage—Sunraysia District			95,792	500
2,000	Tourist Development			30,100	..
3,072	Hail Damage—Tresco District			20,736	2,417
14,044	Capital Improvements—Tresco District			20,554	15,237
38,344	Hail Damage—Orchardists			89,603	24,383
115,500	Bush Fire Relief			307,231	304,284
..	Drought Relief			5,188	5,188
17,160	Miscellaneous			28,400	22,500
<u>1,095,646</u>				<u>2,085,626</u>	<u>1,215,126</u>
101,534	Cash in Hand				91,566

I. K. MORTON, Chairman.

C. O. HARRY, Deputy Chairman.

L. L. BEARDSSELL, Member.

M. J. CRONIN, Secretary.

J. E. GLASSBOROW, Accountant.

A. J. A. GARDNER, Auditor-General,

12th October, 1966.

RURAL FINANCE AND SETTLEMENT COMMISSION.

RURAL REHABILITATION FUND AND FARMERS' DEBTS ADJUSTMENT ACTS.

CAPITAL BALANCE-SHEET AS AT 30TH JUNE, 1966.

(Adjusted to the nearer \$.)

ASSETS.		1966
1965		\$
\$		
15,084	Advances <i>Farmers' Debts Adjustment Act 1943</i>	13,081
749,388	Advances under <i>Farmers' Debts Adjustment Act 1935</i> and Part IV. <i>Rural Finance Act 1958</i>	626,378
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764,472		639,459
3,953,304	Held by Treasurer of Victoria—Rural Rehabilitation Fund	4,076,314
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4,717,776		4,715,773
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LIABILITIES.		
15,084	Treasurer of Victoria for Advances <i>Farmers' Debts Adjustment Act 1943—Less Repayments</i>	13,081
4,702,692	Funds Provided by Grant under Commonwealth <i>Loan (Farmers' Debt Adjustment) Act 1935—Including Interest on Mortgages—Less Amounts Written Off</i> ..	4,702,692
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4,717,776		4,715,773
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A. J. A. GARDNER, Auditor-General,

12th October, 1966.

RURAL FINANCE AND SETTLEMENT COMMISSION.

RURAL FINANCE AND SETTLEMENT INSURANCE FUND.

YEAR ENDED 30TH JUNE, 1966.

(Adjusted to the nearer \$.)

1965		1966
\$		\$
1,365,004	Balance Brought Forward 1st July, 1965	1,135,906
—	<i>Less</i> —Certified Surplus as at 1st July, 1965, Transferred to Rural Finance and Settlement Fund pursuant to Section 29 (12) of Act No. 6846 as amended	
365,004		135,906
<u>1,000,000</u>		<u>1,000,000</u>
184,032	<i>Add</i> —Premiums	201,766
47,620	Interest on Investments	57,406
<u>231,652</u>		<u>259,172</u>
1,231,652		1,259,172
68,210	<i>Less</i> —Claims Admitted	28,249
15,586	Fire Authority Contributions	19,623
11,950	Administration Expenses	13,178
<u>95,746</u>		<u>61,050</u>
1,135,906	Balance Carried Forward 30th June, 1966	1,198,122
	REPRESENTED BY—	
28,916	Cash	11,666
1,111,738	Investments	1,170,162
14,138	Accrued Interest	17,543
12,874	Debtors for Premiums	13,350
<u>1,167,666</u>		<u>1,212,721</u>
31,760	<i>Less</i> —Claims Admitted But Not Paid	14,599
<u>1,135,906</u>		<u>1,198,122</u>

I. K. MORTON, Chairman.

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A. J. A. GARDNER, Auditor-General,

12th October, 1966.

RURAL FINANCE AND SETTLEMENT COMMISSION.

RURAL FINANCE ACTS.

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 30TH JUNE, 1966.

(Adjusted to the nearer \$.)

1965		\$	\$	\$	1966
\$					\$
	Income—				
1,237,134	Interest				1,345,920
21,206	Application and Legal Fees, &c.				22,496
<u>1,258,340</u>					<u>1,368,416</u>
	Less—				
	Expenditure—				
902,900	Interest on Loan Indebtedness			970,737	
44,304	Interest on Redeemed Securities—National Debt Sinking Fund			50,775	
	Administration—				
104,772	Salaries	125,780			
38,490	General Expenses	34,544			
..	Depreciation of Residences	8,365			
				<u>168,689</u>	
	Provision for—				
2,520	Long Service Leave	3,245			
12,316	Superannuation	19,322			
				<u>22,567</u>	
<u>1,105,302</u>					<u>1,212,768</u>
153,038	Operating Profit for Year				155,648
..	Add Surplus on Sale of Residence, &c.				11,632
					<u>167,280</u>
	Less—				
53,262	National Debt Sinking Fund Contribution			56,106	
5,738	Discounts and Expenses on Loans			18,570	
41,566	Bad and Doubtful Debts			19,321	
<u>100,566</u>				<u>93,997</u>	
52,472	Net Profit for Year transferred to Rural Finance and Settlement Fund Profit and Loss Appropriation Account				73,283

I. K. MORTON, Chairman.

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12th October, 1966.

RURAL FINANCE AND SETTLEMENT COMMISSION.

RURAL FINANCE AND SETTLEMENT FUND.

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR YEAR ENDED 30TH JUNE, 1966.

(Adjusted to the nearer \$.)

1965		1966
\$		\$
32,320	Balance Brought Forward 1st July, 1965	115,866
<i>Add—</i>		
365,004	Transfer from Rural Finance and Settlement Insurance Fund Surplus as at 1st July, 1965	135,906
—	Transfer from General Reserve.. .. .	112,000
52,472	Net Profit Rural Finance Acts year ended 30th June, 1966	73,283
448,280	Amount received from Consolidated Revenue pursuant to Section 25 Sub-section (5) <i>Rural Finance and Settlement Commission Act 1961</i> (as amended)	460,000
<u>898,076</u>		<u>897,055</u>
<i>Less—</i>		
276,440	Costs of Administration Soldier Settlement Acts	285,064
165,770	Costs of Administration Land Settlement Acts	189,335
60,000	Final Provision for Contingent Liabilities for Superannuation taken over 1st July, 1963	172,000
280,000	Appropriation to Loan Equalization Account	160,000
<u>782,210</u>		<u>806,399</u>
<u>115,866</u>	Balance Carried Forward 30th June, 1966	<u>90,656</u>

I. K. MORTON, Chairman.

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12th October, 1966.

RURAL FINANCE AND SETTLEMENT COMMISSION.

RURAL FINANCE AND SETTLEMENT FUND.

BALANCE-SHEET AS AT 30TH JUNE, 1966.

(Adjusted to the nearer \$.)

1965 \$	ASSETS.	1966 \$	\$
	Current Assets—		
5,800	National Debt Sinking Fund Cash		1,164
1,462	Inter Fund Adjustment Account		3,956
375,288	Interest Due and Accrued		422,149
772	Prepayments		5,056
52,940	Cash—At Bank and On Hand		51,972
1,200,000	At Call		500,000
<hr/>			<hr/>
1,636,262			984,297
1,075,684	Investments At Cost On Account of Reserves and Provisions		1,268,527
<hr/>			<hr/>
2,711,946			2,252,824
	Less Current Liabilities and Provisions—		
41,286	Trust Account—Amounts in Suspense	25,478	
111,860	Settlers Proceeds Held	63,578	
14,592	Sundry Creditors	3,523	
48,340	Provision for Long Service Leave	50,540	
303,870	Provision for Superannuation	555,853	
<hr/>		<hr/>	<hr/>
519,948			698,972
<hr/>			<hr/>
2,191,998			1,553,852
21,638,724	Loans Under Part III. Rural Finance Acts	23,486,589	
458,510	Less—Provision for Doubtful Debts	477,831	
<hr/>		<hr/>	<hr/>
21,180,214			23,008,758
..	Amounts Owing under Contracts of Sale		11,888
	Fixed Assets At Cost Less Depreciation—		
14,874	Furniture and Office Equipment	28,995	
36,110	Motor Vehicles	34,587	
1,950	Residences and Offices	81,078	
<hr/>		<hr/>	<hr/>
52,934			144,660
<hr/>		<hr/>	<hr/>
23,425,146	Total Assets		24,719,158
	REPRESENTED BY—		
	Loan Liability to Treasurer of Victoria—		
22,178,350	Amount Applied from Loan Fund	23,413,539	
1,128,324	Less Securities Redeemed National Debt Sinking Fund	1,286,008	
<hr/>		<hr/>	<hr/>
21,050,026			22,127,531
	Capital Reserves and Accounts—		
1,134,124	National Debt Sinking Fund Reserves	1,287,172	
360,000	Loan Equalization Account	520,000	
<hr/>		<hr/>	<hr/>
1,494,124			1,807,172
	Revenue Reserves and Accounts—		
765,130	General Reserves	693,799	
115,866	Profit and Loss Appropriation Account	90,656	
<hr/>		<hr/>	<hr/>
880,996			784,455
<hr/>		<hr/>	<hr/>
23,425,146			24,719,158

NOTE.—Commitments on Loans under Part III. *Rural Finance Act* 1958, approved but not paid as at 30th June, 1966, amounted to \$1,769,254.

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

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, 1966, 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.

A. J. A. GARDNER, Auditor-General,
12th October, 1966.

RURAL FINANCE AND SETTLEMENT COMMISSION.

SOLDIER SETTLEMENT ACTS.

CAPITAL ACCOUNT—BALANCE-SHEET AS AT 30TH JUNE, 1966.

(Adjusted to the nearer \$).

1965		1966
\$		\$
	CAPITAL LIABILITIES.	
	Loan Liability—Treasurer of Victoria—	
116,512,296	Amounts issued and applied from Loan Fund	116,592,113
51,269,104	Less—Repayments to Loan Fund Credit Account	54,438,895
<hr/>		<hr/>
65,243,192		62,153,218
21,097,334	Less—Amount Transferred To and Borne by State under Section 53 Reduced by Claims on Commonwealth for Capital Contributions	20,535,254
<hr/>		<hr/>
44,145,858		41,617,964
	Loan Liability to Commonwealth Government—	
	Amounts Received under Commonwealth—State Agreement ..	14,397,405
	Less—Repayments	850,285
<hr/>		<hr/>
13,664,058		13,547,120
192,192	Liability for Crown Lands Taken Over and Set Apart for Settlement	177,931
20,656	Liability to Consolidated Revenue for Interest Capitalized during Development Period Less Amount Relieved under Section 53	60,595
476	Amount Due to Rural Finance and Settlement Fund for Capital Expenditure	363
<hr/>		<hr/>
58,023,240	Total Capital Liabilities	55,403,973
<hr/>		<hr/>
	REPRESENTED BY CAPITAL ASSETS.	
384,948	Estates (Including Development and Improvement) not yet disposed of	128,574
469,210	Contracts of Sale for Disposal of Unsuitable Land	483,958
3,594,720	Land and Improvements under Interim Lease Part 6 Division 2 ..	1,350,993
39,425,760	Land and Improvements under Purchase Lease Part 6 Division 3	39,325,365
498,590	Land and Improvements under Mortgage Section 67A Part 6 Division 3	781,265
<hr/>		<hr/>
		40,106,630
10,339,442	Mortgages under Part 7 Single Unit Farms	9,557,682
283,758	Advances Part 8	141,636
1,624	Expenses not yet Allocated	1,624
77,484	Buildings and Working Plant at Cost Less Depreciation	229
1,885,954	Commonwealth Government for Balance of Share of Excess Costs Capital Expenses Not Borne by Estates—	2,562,946
992,652	Discounts and Expenses on Loans	1,008,175
45,940	Depreciation	38,369
23,158	Bad Debts Written Off Less Recoups	23,157
<hr/>		<hr/>
		1,069,701
<hr/>		<hr/>
58,023,240		55,403,973
<hr/>		<hr/>

I. K. MORTON, Chairman.
C. O. HARRY, Deputy Chairman.
L. L. BEARDSELL, Member.
M. J. CRONIN, Secretary.
J. E. GLASSBOROW, 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, 1966, and the Profit and Loss Account correctly summarizes the relevant transactions during the year ended 30th June, 1966.

A. J. A. GARDNER, Auditor-General,
12th October, 1966.

RURAL FINANCE AND SETTLEMENT COMMISSION.

SOLDIER SETTLEMENT ACTS.

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 30TH JUNE, 1966.

(Adjusted to the nearer \$).

1965 \$		1966 \$
3,221,800	Interest on Loan Liabilities	3,076,528
118,276	Interest Capitalized Written Back	7,639
<hr/>		<hr/>
3,340,076		3,084,167
984,718	<i>Less</i> —Interest on Loan Liability Transferred and Borne by State ..	910,964
<hr/>		<hr/>
2,355,358		2,173,203
	<i>Less</i> —Income—	
1,135,764	Interest Earned	1,086,997
11,842	Rents, Fees and Other Income	1,016
4,524	Recoup of Payments in Lieu of Shire Rates <i>Less</i> Payments ..	1,494
<hr/>		<hr/>
1,152,130		1,089,507
<hr/>		<hr/>
1,203,228		1,083,696
	<i>Add</i> —Cost of Administration—	
196,062	Salaries	194,253
48,100	General Expenses	53,349
<hr/>		<hr/>
		247,602
	Provisions—	
4,954	Long Service Leave	5,012
23,904	Superannuation	29,840
<hr/>		<hr/>
440	Remissions of Rents and Interest <i>Less</i> Recouped	34,852
<hr/>		<hr/>
1,476,688	Net Loss for Year Transferred to Accumulated Deficiency ..	241
<hr/>		<hr/>
		1,366,391
	ACCUMULATED DEFICIENCY AS AT 30TH JUNE, 1966.	
16,366,540	Accumulated Deficiency Brought Forward 1st July, 1965	17,843,228
1,476,688	<i>Add</i> —Loss for Year Ended 30th June, 1966	1,366,391
<hr/>		<hr/>
17,843,228		19,209,619
<hr/>		<hr/>
	THIS DEFICIENCY HAS BEEN MET AS FOLLOWS :—	
	Consolidated Revenue—Interest and Costs of Administration <i>Less</i>	
17,561,346	Amounts Paid to Consolidated Revenue	18,623,650
592,084	Rural Finance and Settlement Fund—Costs of Administration	877,148
<hr/>		<hr/>
18,153,430		19,500,798
310,202	<i>Less</i> —Interest Due and Accrued	291,179
<hr/>		<hr/>
17,843,228		19,209,619
<hr/>		<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. <i>Remissions of Rent and Interest</i> —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 | \$ 378,058 |
| 2. <i>Concessional Interest Rate</i> —The Act fixed 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 .. | 13,883,723 |
| 3. <i>Administration Costs</i> —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 | 6,038,463 |
| | <hr/> |
| | 20,300,244 |

A. J. A. GARDNER, Auditor-General,
12th October, 1966.

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

RURAL FINANCE AND SETTLEMENT COMMISSION.

LAND SETTLEMENT ACTS.

CAPITAL ACCOUNT—BALANCE-SHEET AS AT 30TH JUNE, 1966.

(Adjusted to the nearer \$).

1965		1966
\$		\$
	Loan Liability Treasurer of Victoria—	
18,442,946	Amounts Issued and Applied from Loan Fund	21,006,539
872,028	Less—Repayments to Loan Fund Credit Account	1,435,173
<hr/>		<hr/>
17,570,918		19,571,366
696,860	Less—Amount Transferred and Borne by State under Section 41	932,845
<hr/>		<hr/>
16,874,058		18,638,521
100,000	Amount Granted by Commonwealth Government	100,000
94,976	Crown Lands Taken Over and Set Apart for Settlement	78,189
1,784,604	Liability to Consolidated Revenue for Interest Capitalized during Development Period Less Interest Relieved under Section 41	2,025,608
986	Amount Due to Rural Finance and Settlement Fund for Capital Expenditure	3,593
82,484	Settlers Credit Accounts	198,267
<hr/>		<hr/>
18,937,108	Total Capital Liabilities	21,044,178
<hr/>		<hr/>

REPRESENTED BY CAPITAL ASSETS.

15,241,020	Estates (Including Development and Improvement) Not Yet Disposed Of	16,067,751
20,344	Contracts of Sale for Disposal of Unsuitable Land	83,580
2,346,538	Lands and Improvements under Purchase Lease under Division 4	3,818,470
406,974	Advances to Settlers Division 6	363,214
116,218	Plant, Materials and Services to be Allocated	92,287
806,014	Buildings and Working Plant at Cost Less Depreciation	618,876
<hr/>		<hr/>
18,937,108		21,044,178
<hr/>		<hr/>

I. K. MORTON, Chairman.

C. O. HARRY, Deputy Chairman.

L. L. BEARDSSELL, Member.

M. J. CRONIN, Secretary.

J. E. GLASSBOROW, Accountant.

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, 1966, and the Profit and Loss Account correctly summarizes the relevant transactions during the year ended 30th June, 1966.

A. J. A. GARDNER, Auditor-General,

12th October, 1966.

RURAL FINANCE AND SETTLEMENT COMMISSION.

LAND SETTLEMENT ACTS.

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 30TH JUNE, 1966.

(Adjusted to the nearer \$).

1965		1966
\$		\$ \$
760,542	Interest on Loan Liability	885,846
623,260	Less—Interest Capitalized	640,956
19,938	Interest on Loan Liability Borne by State	40,495
643,198		681,451
117,344		204,395
	<i>Add—Costs of Administration—</i>	
119,270	Salaries	130,212
28,976	General Expenses	35,761
148,246		165,973
	<i>Provisions—</i>	
3,008	Long Service Leave	3,359
14,516	Superannuation	20,003
17,524		23,362
7,984	Payments in Lieu of Shire Rates	9,390
291,098		403,120
	<i>Less—Income—</i>	
219,866	Interest and Rents Earned	340,988
71,232	Net Loss for Year Transferred to Accumulated Deficiency	62,132
ACCUMULATED DEFICIENCY AS AT 30TH JUNE, 1966.		
843,934	Accumulated Deficiency Brought Forward 1st July, 1965	915,168
71,232	Add—Loss for Year Ended 30th June, 1966	62,132
915,166		977,300
263,024	Less—Profits on Livestock Trading Accounts	314,815
652,142	Accumulated Deficiency Carries Forward	662,485
THIS DEFICIENCY HAS BEEN MET AS FOLLOWS:—		
<i>Consolidated Revenue—Interest and Cost of Administration—</i>		
505,518	Less Amounts Paid to Consolidated Revenue	396,541
335,652	Rural Finance and Settlement Fund—Costs of Administration	524,986
841,170		921,527
65,788	Less—Interest and Rents Due and Accrued	129,210
123,240	Livestock on Estates at Valuation	129,832
189,028		259,042
652,142		662,485

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

A. J. A. GARDNER, Auditor-General,
12th October, 1966.